

DEBATES
OF
THE SENATE
OF THE
DOMINION OF CANADA

1932-1933

OFFICIAL REPORT

Editor: DAVID J. HALPIN

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Reserve Reporter: THOS. BENGOUGH

FOURTH SESSION—SEVENTEENTH PARLIAMENT—23-24 GEORGE V



OTTAWA
J. O. PATENAUDE, ACTING KING'S PRINTER
1933

SENATORS OF CANADA

ACCORDING TO SENIORITY

MAY 27, 1933

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

SENATORS	DESIGNATION	POST OFFICE ADDRESS
The Honourable		
PASCAL POIRIER.....	Acadie.....	Shediac, N.B.
RAOUL DANDURAND, P.C.....	De Lorimier.....	Montreal, Que.
JOSEPH P. B. CASGRAIN.....	De Lanaudière.....	Montreal, Que.
FRÉDÉRIC L. BÉIQUE, P.C.....	De Salaberry.....	Montreal, Que.
JULES TESSIER.....	De la Durantaye.....	Quebec, Que.
JOSEPH M. WILSON.....	Sorel.....	Montreal, Que.
RUFUS HENRY POPE.....	Bedford.....	Cookshire, Que.
GEORGE GORDON.....	Nipissing.....	North Bay, Ont.
ERNEST D. SMITH.....	Wentworth.....	Winona, Ont.
JAMES J. DONNELLY.....	South Bruce.....	Pinkerton, Ont.
CHARLES PHILIPPE BEAUBIEN.....	Montarville.....	Montreal, Que.
JOHN MCLEAN.....	Souris.....	Souris, P.E.I.
JOHN STEWART MCLENNAN.....	Sydney.....	Sydney, N.S.
WILLIAM HENRY SHARPE.....	Manitou.....	Manitou, Man.
GIDEON D. ROBERTSON, P.C.....	Welland.....	Welland, Ont.
GEORGE LYNCH-STAUTON.....	Hamilton.....	Hamilton, Ont.
CHARLES E. TANNER.....	Pictou.....	Halifax, N.S.
THOMAS JEAN BOURQUE.....	Richibucto.....	Richibucto, N.B.
HENRY W. LAIRD.....	Regina.....	Regina, Sask.
ALBERT E. PLANTA.....	Nanaimo.....	Nanaimo, B.C.
JOHN HENRY FISHER.....	Brant.....	Paris, Ont.
LENDRUM MCMEANS.....	Winnipeg.....	Winnipeg, Man.
DAVID OVIDE L'ESPÉRANCE.....	Gulf.....	Quebec, Que.

SENATORS OF CANADA

SENATORS	DESIGNATION	POST OFFICE ADDRESS
The Honourable		
RICHARD SMEATON WHITE.....	Inkerman.....	Montreal, Que.
AIMÉ BÉNARD.....	St. Boniface.....	Winnipeg, Man.
GEORGE HENRY BARNARD.....	Victoria.....	Victoria, B.C.
JAMES DAVIS TAYLOR.....	New Westminster.....	New Westminster, B.C.
FREDERICK L. SCHAFFNER.....	Boissevain.....	Boissevain, Man.
EDWARD MICHENER.....	Red Deer.....	Red Deer, Alta.
WILLIAM JAMES HARMER.....	Edmonton.....	Edmonton, Alta.
PIERRE EDOUARD BLONDIN, P.C. (Speaker)...	The Laurentides.....	Montreal, Que.
GERALD VERNER WHITE.....	Pembroke.....	Pembroke, Ont.
THOMAS CHAPAIS.....	Grandville.....	Quebec, Que.
LORNE C. WEBSTER.....	Stadacona.....	Montreal, Que.
JOHN STANFIELD.....	Colchester.....	Truro, N.S.
JOHN ANTHONY McDONALD.....	Shediac.....	Shediac, N.B.
WILLIAM A. GRIESBACH, C.B., C.M.G.....	Edmonton.....	Edmonton, Alta.
JOHN McCORMICK.....	Sydney Mines.....	Sydney Mines, N.S.
JAMES A. CALDER, P.C.....	Saltcoats.....	Regina, Sask.
ROBERT F. GREEN.....	Kootenay.....	Victoria, B.C.
ARCHIBALD B. GILLIS.....	Saskatchewan.....	Whitewood, Sask.
ARCHIBALD H. MACDONELL, C.M.G.....	South Toronto.....	Toronto, Ont.
FRANK B. BLACK.....	Westmorland.....	Sackville, N.B.
PETER MARTIN.....	Halifax.....	Halifax, N.S.
ARTHUR C. HARDY, P.C.....	Leeds.....	Brockville, Ont.
ONÉSIPHORE TURGEON.....	Gloucester.....	Bathurst, N.B.
SIR ALLEN BRISTOL AYLESWORTH, P.C., K.C.M.G.....	North York.....	Toronto, Ont.
CLIFFORD W. ROBINSON.....	Moncton.....	Moncton, N.B.
JAMES JOSEPH HUGHES.....	King's.....	Souris, P.E.I.
CREELMAN MACARTHUR.....	Prince.....	Summerside, P.E.I.
HENRI SÉVÉRIN BÉLAND, P.C.....	Lauzon.....	St. Joseph de Beauce, Que.
JOHN LEWIS.....	Toronto.....	Toronto, Ont.
CHARLES MURPHY, P.C.....	Russell.....	Ottawa, Ont.
WILLIAM ASHBURY BUCHANAN.....	Lethbridge.....	Lethbridge, Alta.
JAMES PALMER RANKIN.....	Perth, N.....	Stratford, Ont.
ARTHUR BLISS COPP, P.C.....	Westmorland.....	Sackville, N.B.
JOHN PATRICK MOLLOY.....	Provencher.....	Morris, Man.
DANIEL E. RILEY.....	High River.....	High River, Alta.
PAUL L. HATFIELD.....	Yarmouth.....	Yarmouth, N.S.

SENATORS OF CANADA

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SENATORS	DESIGNATION	POST OFFICE ADDRESS
The Honourable		
RT. HON. GEORGE P. GRAHAM, P.C.....	Eganville.....	Brockville, Ont.
WILLIAM H. MCGUIRE.....	East York.....	Toronto, Ont.
DONAT RAYMOND.....	De la Vallière.....	Montreal, Que.
PHILIPPE J. PARADIS.....	Shawinigan.....	Quebec, Que.
JAMES H. SPENCE.....	North Bruce.....	Toronto, Ont.
EDGAR S. LITTLE.....	London.....	London, Ont.
GUSTAVE LACASSE.....	Essex.....	Tecumseh, Ont.
HENRY HERBERT HORSEY.....	Prince Edward.....	Cressy, Ont.
WALTER E. FOSTER, P.C.....	Saint John.....	Saint John, N.B.
HANCE J. LOGAN.....	Cumberland.....	Parrsboro, N.S.
ROBERT FORKE, P.C.....	Brandon.....	Pipestone, Man.
CAIRINE R. WILSON.....	Rockcliffe.....	Ottawa, Ont.
JAMES MURDOCK, P.C.....	Parkdale.....	Ottawa, Ont.
RODOLPHE LEMIEUX, P.C.....	Rougemont.....	Ottawa, Ont.
EDMUND WILLIAM TOBIN.....	Victoria.....	Bromptonville, Que.
GEORGE PARENT.....	Kennebec.....	Quebec, Que.
JULES-EDOUARD PREVOST.....	Mille Isles.....	St. Jerome, Que.
LAWRENCE ALEXANDER WILSON.....	Rigaud.....	Coteau du Lac, Que.
JOHN EWEN SINCLAIR, P.C.....	Queen's.....	Emerald, P.E.I.
JAMES H. KING, P.C.....	Kootenay East.....	Victoria, B.C.
ARTHUR MARCOTTE.....	Ponteix.....	Ponteix, Sask.
PATRICK BURNS.....	Calgary.....	Calgary, Alta.
ALEXANDER D. McRAE, C.B.....	Vancouver.....	Vancouver, B.C.
RT. HON. ARTHUR MEIGHEN, P.C.....	St. Mary's.....	Toronto, Ont.
CHARLES COLQUHOUN BALLANTYNE, P.C.....	Alma.....	Montreal, Que.
WILLIAM HENRY DENNIS.....	Halifax.....	Halifax, N.S.
JOHN ALEXANDER MACDONALD.....	Richmond— West Cape Breton.....	St. Peters, Cape Breton, N.S.
JOSEPH H. RAINVILLE.....	Repentigny.....	St. Lambert, Que.
ALBERT J. BROWN.....	Wellington.....	Montreal, Que.

SENATORS OF CANADA

ALPHABETICAL LIST

MAY 27, 1933

SENATORS	DESIGNATION	POST OFFICE ADDRESS
The Honourable		
AYLESWORTH, SIR ALLEN, P.C., K.C.M.G.....	North York.....	Toronto, Ont.
BALLANTYNE, C.C.	Alma	Montreal, Que.
BARNARD, G. H.....	Victoria.....	Victoria, B.C.
BEAUBIEN, C. P.....	Montarville.....	Montreal, Que.
BÉRIQUE, F. L., P.C.....	De Salaberry.....	Montreal, Que.
BÉLAND, H. S., P.C.....	Lauzon	St. Joseph de Beauce, Que.
BÉNARD, A.....	St. Boniface.....	Winnipeg, Man.
BLACK, F. B.....	Westmorland.....	Sackville, N.B.
BLONDIN, P. E., P.C. (Speaker).....	The Laurentides.....	Montreal, Que.
BOURQUE, T. J.....	Richibucto.....	Richibucto, N.B.
BROWN, A. J.	Wellington	Montreal, Que.
BUCHANAN, W. A.....	Lethbridge.....	Lethbridge, Alta.
BURNS, PATRICK.....	Calgary	Calgary, Alta.
CALDER, J. A., P.C.....	Saltoats	Regina, Sask.
CASGRAIN, J. P. B.....	De Lanaudière.....	Montreal, Que.
CHAPAIS, T.....	Grandville.....	Quebec, Que.
COPP, A. B., P.C.....	Westmorland.....	Sackville, N.B.
DANDURAND, R., P.C.....	De Lorimier.....	Montreal, Que.
DENNIS, W. H.	Halifax	Halifax, N.S.
DONNELLY, J. J.....	South Bruce.....	Pinkerton, Ont.
FISHER, J. H.....	Brant.....	Paris, Ont.
FORKE, R., P.C.....	Brandon.....	Pipestone, Man.
FOSTER, W. E., P.C.....	Saint John.....	Saint John, N.B.
GILLIS, A. B.....	Saskatchewan.....	Whitewood, Sask.
GORDON, G.....	Nipissing.....	North Bay, Ont.

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

ALPHABETICAL LIST

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SENATORS	DESIGNATION	POST OFFICE ADDRESSES
The Honourable		
PLANTA, A. E.....	Nanaimo.....	Nanaimo, B.C.
POIRIER, P.....	Acadie.....	Shediac, N.B.
POPE, R. H.....	Bedford.....	Cookshire, Que.
PREVOST, J. E.....	Mille Isles.....	St. Jerome, Que.
RAINVILLE, J. H.....	Repentigny.....	St. Lambert, Que.
RANKIN, J. P.....	Perth, N.....	Stratford, Ont.
RAYMOND, D.....	De la Vallière.....	Montreal, Que.
RILEY, D. E.....	High River.....	High River, Alta.
ROBERTSON, G. D., P.C.....	Welland.....	Welland, Ont.
ROBINSON, C. W.....	Moncton.....	Moncton, N.B.
SCHAFFNER, F. L.....	Boissevain.....	Boissevain, Man.
SHARPE, W. H.....	Manitou.....	Manitou, Man.
SINCLAIR, J. E., P.C.....	Queen's.....	Emerald, P.E.I.
SMITH, E. D.....	Wentworth.....	Winona, Ont.
SPENCE, J. H.....	North Bruce.....	Toronto, Ont.
STANFIELD, J.....	Colchester.....	Truro, N.S.
TANNER, C. E.....	Pictou.....	Pictou, N.S.
TAYLOR, J. D.....	New Westminster.....	New Westminster, B.C.
TESSIER, JULES.....	De la Durantaye.....	Quebec, Que.
TOBIN, E. W.....	Victoria.....	Bromptonville, Que.
TURGEON, O.....	Gloucester.....	Bathurst, N.B.
WEBSTER, L. C.....	Stadacona.....	Montreal, Que.
WHITE, R. S.....	Inkerman.....	Montreal, Que.
WHITE, G. V.....	Pembroke.....	Pembroke, Ont.
WILSON, C. R.....	Rockcliffe.....	Ottawa, Ont.
WILSON, J. M.....	Sorel.....	Montreal, Que.
WILSON, LAWRENCE A.....	Rigaud.....	Coteau du Lac, Que.

SENATORS OF CANADA

BY PROVINCES

MAY 27, 1933

ONTARIO—24

SENATORS	POST OFFICE ADDRESS
The Honourable	
1 GEORGE GORDON.....	North Bay.
2 ERNEST D. SMITH.....	Winona.
3 JAMES J. DONNELLY.....	Pinkerton.
4 GEORGE LYNCH-STAUNTON.....	Hamilton.
5 GIDEON D. ROBERTSON, P.C.....	Welland.
6 JOHN HENRY FISHER.....	Paris.
7 GERALD VERNER WHITE.....	Pembroke.
8 ARCHIBALD H. MACDONELL, C.M.G.....	Toronto.
9 ARTHUR C. HARDY, P.C.....	Brockville.
10 SIR ALLEN BRISTOL AYLESWORTH, P.C., K.C.M.G.....	Toronto.
11 CHARLES MURPHY, P.C.....	Ottawa.
12 JOHN LEWIS.....	Toronto.
13 JAMES PALMER RANKIN.....	Stratford.
14 RT. HON. GEORGE P. GRAHAM, P.C.....	Brockville.
15 WILLIAM H. MCGUIRE.....	Toronto.
16 JAMES H. SPENCE.....	Toronto.
17 EDGAR S. LITTLE.....	London.
18 GUSTAVE LACASSE.....	Tecumseh.
19 HENRY H. HORSEY.....	Cressy.
20 CAIRINE R. WILSON.....	Ottawa.
21 JAMES MURDOCK, P.C.....	Ottawa.
22 RT. HON. ARTHUR MEIGHEN, P.C.....	Toronto.
23	
24	

QUEBEC—24

SENATORS	ELECTORAL DIVISION	POST OFFICE ADDRESS
The Honourable		
1 RAOUL DANDURAND, P.C.....	De Lorimier.....	Montreal.
2 JOSEPH P. B. CASGRAIN.....	De Lanaudière.....	Montreal.
3 FRÉDÉRIC L. BÉIQUE, P.C.....	De Salaberry.....	Montreal.
4 JULES TESSIER.....	De la Durantaye.....	Quebec.
5 JOSEPH M. WILSON.....	Sorel.....	Montreal.
6 RUFUS H. POPE.....	Bedford.....	Cookshire.
7 CHARLES PHILIPPE BEAUBIEN.....	Montarville.....	Montreal.
8 DAVID OVIDE L'ESPÉRANCE.....	Gulf.....	Quebec.
9 RICHARD SMEATON WHITE.....	Inkerman.....	Montreal.
10 PIERRE EDOUARD BLONDIN, P.C. (Speaker)	The Laurentides.....	Montreal.
11 THOMAS CHAPAIS.....	Grandville.....	Quebec.
12 LORNE C. WEBSTER.....	Stadacona.....	Montreal.
13 HENRI SÉVÉRIN BÉLAND, P.C.....	Lauzon.....	St. Joseph de Beauce.
14 DONAT RAYMOND.....	De la Vallière.....	Montreal.
15 PHILIPPE J. PARADIS.....	Shawinigan.....	Quebec.
16 RODOLPHE LEMIEUX, P.C.....	Rougemont.....	Ottawa, Ont.
17 EDMUND W. TOBIN.....	Victoria.....	Bromptonville.
18 GEORGE PALENT.....	Kennebec.....	Quebec.
19 JULES-EDOUARD PREVOST.....	Mille Isles.....	St. Jerome.
20 LAWRENCE A. WILSON.....	Rigaud.....	Coteau du Lac.
21 CHARLES C. BALLANTYNE, P.C.....	Alma.....	Montreal, Que.
22 JOSEPH H. RAINVILLE.....	Repentigny.....	St. Lambert, Que.
23 ALBERT J. BROWN.....	Wellington.....	Montreal, Que.
24		

NOVA SCOTIA—10

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

NEW BRUNSWICK—10

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

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

BRITISH COLUMBIA—6

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

MANITOBA—6

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

SASKATCHEWAN—6

The Honourable	
1 HENRY W. LAIRD.....	Regina.
2 JAMES A. CALDER, P.C.....	Regina.
3 ARCHIBALD B. GILLIS.....	Whitewood.
4 ARTHUR MARCOTTE.....	Ponteix.
5	
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ALBERTA—6

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

CANADA

The Debates of the Senate

OFFICIAL REPORT

THE SENATE

Thursday, October 6, 1932.

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

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

Prayers.

OPENING OF THE SESSION

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

The Senate adjourned during pleasure.

SPEECH FROM THE THRONE

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

Honourable Members of the Senate:

Members of the House of Commons:

I welcome you to your duties at this season, for my Ministers deem it expedient that you should consider, without delay, the agreements made at the Imperial Economic Conference recently held in this city of Ottawa between Canada and the other countries of the Empire. My Government are of opinion that these agreements provide the means by which will be developed an enduring and mutually beneficial scheme of closer Empire economic association, and that their early approval is advisable in the national interest.

The report of the Royal Commission on Railways and Transportation will be laid before Parliament. In view of the conclusions and recommendations contained in that report

your attention will be invited, at the earliest possible date, to a Bill designed to ensure more effective and economical operation of Canadian railways upon the basis of fair competition, secured in such manner as will avoid extravagant and harmful duplication of services.

Since the last session of Parliament, my Ministers have entered into a treaty with the Government of the United States of America for the completion of the St. Lawrence Waterway. Upon its ratification by the duly constituted authority of the United States, this treaty will be submitted to you for approval.

A committee has been appointed by Order in Council to inquire into the operation of the Pensions Act so that my Ministers may have before them all information necessary to determine whether further action may be required to discharge the country's obligation to those who served in the Great War.

The problem of unemployment continues to receive the anxious attention of my Ministers. Under the powers granted them at the last session of Parliament, they have been able to develop further, in co-operation with the provinces and municipalities, a scheme of direct relief to be put into operation during the autumn and winter months to the extent required by prevailing conditions. Plans for the re-establishment of the unemployed in various parts of the country are in preparation and will become operative as soon as, in the opinion of my Ministers, the public expenditure incident thereto will be productive of commensurate benefits.

It is a matter of gratification to us all that in those large areas of the West where, during recent successive years, crop failure was followed by widespread distress, this season's bountiful harvest forecasts greatly improved conditions and makes possible a corresponding reduction of relief measures.

In accordance with the provisions of the British North America Act, you will be invited to consider a Bill for the redistribution of representation of the provinces in the House of Commons.

There will also be brought before you for consideration other measures which my Ministers deem to be in the public interest.

You will be invited to extend Canadian bank charters for one year in order that Parliament may be informed of the results of the proposed World Economic and Financial Conference, to be called to consider financial, economic and monetary problems, before undertaking the decennial revision of the Bank Act.

When you have considered the matters requiring your immediate attention, it is proposed that Parliament shall adjourn until early in the new year, then to proceed with the ordinary business of the session.

Members of the House of Commons:

The public accounts for the last fiscal year and the estimates for the coming year will be submitted after Parliament has reassembled. These estimates will reflect the continuance of the policy of my Ministers to exercise every economy, compatible with the proper administration of the State, until more favourable economic conditions shall have materially augmented the current national revenues.

Honourable Members of the Senate:

Members of the House of Commons:

While the economic situation still weighs heavily upon all classes of the community, there are at last definite signs that the acuteness of the depression is passing. I rejoice that the wisdom of your steadfast policy of retrenchment and constructive development, which has ameliorated the hardships of Canadians and maintained the enviable financial position of this country, is still more fully manifest with approaching prosperity. The strength of our financial structure, the resourcefulness of agriculture, and the integrity of industry have enabled us to take quick and profitable advantage of improved conditions. The ratification of Empire trade agreements and your approval of the proposed economies and reforms in railway transportation are means by which Canada's favoured position will be more fully secured among the nations of the world.

The unity, fortitude and capacity of the Canadian people, without which all your labours would have been in vain, shall be now the foundation upon which, with co-operation and faith, we will build a Canada greater than we have yet known. I pray that Divine Providence may guide you in your exalted task.

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

The sitting of the Senate was resumed.

RAILWAY BILL

FIRST READING

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

CONSIDERATION OF HIS EXCELLENCY'S SPEECH

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

The Senate adjourned until Wednesday, October 12, at 3 p.m.

THE SENATE

Wednesday, October 12, 1932.

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

Prayers and routine proceedings.

The Hon. the SPEAKER.

COMMITTEE ON ORDERS AND PRIVILEGES

Right Hon. Mr. MEIGHEN moved:

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

The motion was agreed to.

COMMITTEE OF SELECTION

Right Hon. Mr. MEIGHEN moved:

That the following senators be appointed a Committee of Selection to nominate senators to serve on the several standing committees during the present session: the Honourable Messieurs Beaubien, Buchanan, Dandurand, Daniel, Graham, Little, Sharpe, White (Pembroke), and the mover.

The motion was agreed to.

TRIBUTES TO DECEASED SENATORS

THE LATE SENATORS WILLOUGHBY AND BELCOURT

Right Hon. ARTHUR MEIGHEN: Honourable senators, before the Orders of the Day are called, even though it may not be in full accordance with the practice of this House, it seems to me appropriate that the occasion should be seized to make fitting reference to two of our number who have departed this life since we last met. Similar occasions are all too frequent, their occurrence amounting almost to regularity, but those who have recently passed from us were two of the foremost and most distinguished members of the Upper House. I refer to the late Senator Willoughby and the late Senator Belcourt.

Senator Willoughby occupied the high post of Leader of this House, and had previously held posts of great prominence in the public life of his province and of the Dominion. His early life, as we all know, was spent in the Province of Ontario. His inheritance was the usual lot of the country boy in this Dominion, and from the humble circumstances of his youth, by dint of native ability and concentrated effort, he marched steadily to posts of distinction not only in the professional but also in the industrial and the political life of our land. For a long period of years he occupied a high place at the Bar of the Province of Saskatchewan.

As a young man he essayed the political arena by contesting the old county of Cardwell for the Dominion House, but in this he was unsuccessful. He entered public life in 1912, when he was elected to the Legislature of Saskatchewan from the city of Moosejaw.

His abilities at the Bar stood him in good stead. He had been a sound lawyer, well equipped for practice before the courts, and his abilities developed in such a way that within a short time after his first election he became leader of the Conservative Party in the Legislature, succeeding one who had been Prime Minister of the territory for many years, Sir Frederick Haultain—who, we all rejoice to know, is still well and among us. This position Senator Willoughby resigned in 1917, when he was called to the Senate. His subsequent course of public conduct is better known to honourable members of longer standing in this House than to me. Suffice to say that he so demonstrated his ability as to come in no great length of time, first, to the leadership of his own party—if we may be said to have parties here—and ultimately to the leadership of the House itself.

Senator Willoughby was of a modest, quiet and retiring temperament, and never could be induced or goaded into any display of bitterness or rancour. Indeed, his entrance into the field of debate always had a moderating and softening tendency, no matter what pitch the discussion had reached. His soundness of judgment was highly regarded in Western Canada, and I am sure that his reputation in that respect followed him here as well.

He was a man imbued with the Western spirit, confident to an extraordinary degree of Western development, and I do not think I go beyond the mark when I say that he so pledged his faith in that country that he became perhaps the largest individual landowner in our Dominion. His judgment may be at the moment under a severe challenge, but as we look back we are happy to pay our tribute of admiration to a man who showed the courage of his faith in the province of his adoption as did Senator Willoughby.

During the trying weeks of last session, while the hand of death was plainly upon him, we saw him exhibiting the same quiet courage that had carried him through life, and we were all profoundly moved when at last the enemy proved too strong and he passed beyond our ken.

Senator Willoughby had no family, but to his immediate relatives—his brothers and sisters—I tender on behalf of the House, I know with the approval of all, our meed of sincerest sympathy.

Senator Belcourt, whose demise occurred just seven days after that of Senator Willoughby, entered the arena of Dominion affairs much earlier than his colleague, and for a long time enjoyed even more prominence and influence. I am not as competent as many

others in this House to speak of the part played by Senator Belcourt, but I recall, as a young man, his election in 1896, his re-election in 1900 and 1904, and the fact that he occupied the post of Speaker of the House of Commons—First Commoner of the Dominion—and occupied it acceptably, and indeed admirably, for a period of years. He was called to this House in 1907. So it can be truly said that the late Senator Belcourt was a member of Parliament from 1896 until the day of his death.

Educated in the Province of Quebec, Senator Belcourt was a graduate of St. Joseph's Seminary in Three Rivers. Oddly enough, he was born in the city of Toronto and lived the greater part of his life, indeed all his active years, in the Province of Ontario. The part he played in our public life was certainly a strenuous one; and while in the sphere of contention over racial rights, which unhappily has been too frequent, Senator Belcourt was always prominent, I pay him the tribute of saying that within the arena in which I came into contact with him he was always eminently fair.

Senator Belcourt rendered great service to the Dominion as a whole. His activity in an almost infinite variety of affairs was little short of amazing, and it is not at all to be wondered at that delicate health, which pursued him, finally resulted in his death early in August.

He leaves a family of three boys and three girls, to all of whom, especially to her who was associated with him in all his activities and was apparently his closest helpmeet, we extend our sincerest sympathy. We feel that in such a man they had a father worthy of honour and of our regard.

Hon. RAOUL DANDURAND: Honourable members of the Senate, I do not know what I can add to the very high tribute paid by my right honourable friend to our departed colleagues.

During the fifteen years that Senator Willoughby was with us we all admired his kindly nature and his broad and highly cultivated mind. He was as familiar with French letters as with English literature and history.

My right honourable friend has spoken of the work done in the West by Senator Willoughby. I remember a conversation with him in which he explained the pioneer work that he and the other early members of the Saskatchewan Bar who came from Ontario did in organizing the courts of Saskatchewan and assisting in the proper functioning of those courts in accordance with British precedents and traditions. He worked constantly

in an effort to maintain the principles of British jurisprudence that have come down through an untold number of years to this day. Some of the members of the Saskatchewan Bar were only beginning practice, and it devolved upon the leaders in that new field to direct them in accordance with the highest principles.

We always listened attentively to the opinions expressed by Senator Willoughby in this House and in committees. We were grieved indeed to observe the decline of his health during the days of last session. His departure from our midst is a great loss to this Chamber and to the country.

Senator Belcourt, as my right honourable friend has said, was born in the city of Toronto and educated in the Province of Quebec. He was my companion at the university, and we were both called to the Bar of Montreal at about the same time. I can still see him coming in to tell me he had decided to establish himself on the Ontario side of the Ottawa River, in a community where, although some lawyers from across the river had offices there, no French lawyer had ever practised at the Bar. The first thing he did was to go to Toronto to qualify himself as an Ontario barrister, and it was not long before his legal acumen and sound judgment brought him a considerable practice.

I will not emphasize the role played by Senator Belcourt in the House of Commons. My right honourable friend (Right Hon. Mr. Meighen) was a witness of that. All I will say is that he showed there, as he has shown here, indomitable courage and tenacity. He was ailing all his life; hemorrhages laid him low, and often he faced death; but he defied it, because, as he told me more than once, his responsibilities were so great that he must not die, and he continued to live because the time had not come for his departure.

When Regulation 17, to which my right honourable friend has alluded, was enacted in the Province of Ontario, Senator Belcourt became the leader of his compatriots. For seventeen years he fought against it relentlessly and aggressively, in public, on the platform and at the Bar, and retired from the fight only after he had succeeded in securing the formation of the Unity League of Toronto, an organization composed of influential and intellectual men in that city who took up the cudgels on behalf of the minority. As adviser, Senator Belcourt corresponded with them and with the Prime Minister of Ontario, and finally he saw the day when the fight was won. He was actuated throughout by the conviction that he was right, and conducted

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himself, as my right honourable friend has said, in such a way as not to hurt the feelings of anyone.

As President of the Canadian Group of the Interparliamentary Union he attended many meetings in Europe. In 1925, with my honourable friend from Montarville (Hon. Mr. Beaubien), after attending the meeting of the Interparliamentary Union in Washington, he took charge of the hundreds of delegates assembled there, from many parts of the world, brought them on a visit to Canada, and succeeded in convincing them that Canada was really a glorious country to live in, and Canadians were ideal hosts.

During the War he was a member of the delegation of parliamentarians who went to Europe. They chose him as their spokesman at the Elysée, Paris, before the President of the French Republic, who has since remarked more than once that Senator Belcourt's speech was one to be long remembered. He attended the London Conference of 1924, where a reparations settlement was made—I will not say it was a final settlement, because I am not quite sure that the Dawes Plan is considered final—and there too he did honour to Canada and to himself.

I join with my right honourable friend in expressing the sympathy of this Chamber to our late colleague's devoted family, all the members of which are dear to us.

Hon. GUSTAVE LACASSE (Translation): Honourable members, I desire to join the senators who have preceded me in honouring the memory of our colleagues who since last session have left us for ever, and to lay a tribute of profound regret and heartfelt sympathy upon a tomb that is particularly dear to me, the tomb of one who was the dean of the senators from my province.

It is needless for me to repeat the eloquent words that have been spoken of him by the honourable leaders of the House.

I have not the honour of belonging to Senator Belcourt's "generation," to that galaxy of eminent men, himself among the number, who rose steadily and rapidly in the public life of our country, and most of whom, thank God, are still with us. But I had the privilege of sharing certain responsibilities and duties with our departed colleague and of being associated with his labours in a sphere of action involving the destiny of the French race outside the Province of Quebec; and in return for his confidence and friendship I gave him my affection and placed at his disposal my absolute loyalty. To this Chamber, composed as it is of members who have themselves on many occasions appreciated Senator Belcourt's

perfect honour, his passion for work, his great legal abilities, his devotion to the welfare and prosperity of Canada and the maintenance among her people of justice and mutual understanding—to this Chamber I wish to declare that even after his death I remain towards him the same affection and loyalty.

I cannot recall without emotion that solemn day when I entered this Chamber for the first time and was introduced by my venerable friend. From that time forward I looked upon him as my natural leader. Having stood beside him as a fellow representative of the French-speaking minority of Ontario in this Senate of Canada, I deplore his loss more deeply than probably any other senator.

His soft, kind and sympathetic voice is now for ever silent. No more shall I hear his wise counsel, encouraging, inspiring, at times even moderating, my humble parliamentary efforts.

Senator Belcourt's life was one of unflinching devotion to the causes he had at heart. Among them it is sufficient to mention the survival of his own people as a distinct racial group in this vast British dominion. He has now passed into history. His name will be hailed by future generations with all the respect that is due to an earnest and brilliant legislator, a distinguished citizen, a valiant patriot, a true Christian, and especially with all the veneration that is accorded to the memory of a man who has spent himself in the service of the great and noble cause of education. Among his own people his finest title to honour will be his constant and untiring zeal in defending their rights, their language and their cultural traditions. It is precisely for this reason that I have desired to make these few remarks in the language that he spent his life in defending, a language that has its origin in the finest civilizations of the world, a language that is free to be spoken in this Chamber and in every nook and corner of this broad Canadian land.

And now, peace to his ashes! Yes, may he sleep in peace, our dear departed colleague, in his native soil, to which he was always faithful and which to-day repays his faithfulness by tenderly enfolding his mortal remains for evermore. He is gone, but the remembrance of his character and worth will endure; his memory will remain as a noble inspiration and permanent example to those who come after him, especially to those upon whose shoulders rests the heavy responsibility of continuing his work.

May I venture to entertain the hope that whoever takes his place in this Chamber will be, in heart and mind, in justice and faith, like him for whom we mourn, and will be devoted to the same causes that he held dear.

THE GOVERNOR GENERAL'S SPEECH ADDRESS IN REPLY

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

Hon. PASCAL POIRIER moved that an Address be presented to His Excellency the Governor General to offer the humble thanks of this House to His Excellency for the gracious Speech which he has been pleased to make to both Houses of Parliament.

He said: (Translation) Honourable members of the Senate, it is always a perilous honour to propose the Address in reply to the Speech from the Throne. The task is particularly formidable when, as happens on the present occasion, the measures on which we shall have to legislate are indicated rather than defined. Let us take first the Imperial Conference. We know that a fiscal agreement has been arrived at between Great Britain and Canada; but we do not know yet, at least in the Senate, the precise nature of that agreement.

As to the Conference itself, we are already in a position to say that it has been a great success. His Excellency notes this fact and rejoices. We rejoice with him.

There are two ways of looking at the Conference—its economic results for Canada and other members of the British Empire, and the lead it gives to the world in its march towards a higher civilization and world peace.

As for the economic success, it can scarcely be doubted: factories are opening up, railway earnings are on the increase, business is resuming its normal course, optimism has revived, prosperity is returning and is knocking at our door. From that angle we have but to congratulate ourselves.

But there is the fact of the Conference itself to be examined.

A group of nations meets in an exclusive conference and decides upon commercial advantages from which the rest of the world is excluded. Is there not in this something to arouse suspicion—even to alienate the rest of the world?

"What does it matter?" the Jingoës will say. "Are we not free to act as we wish, and powerful enough, when all united, to ignore the rest of the world? The British Empire covers nearly one-quarter of the area of the globe; its population is 460,000,000 out of a world total of less than 2,000,000,000; its trade, import and export, is greatly in excess of that of any other country.

"The world, since its origin, has never witnessed anything equal in resources and power to the British Empire, in the twentieth

century. The conquests of Alexander, in comparison, fade almost into insignificance, and the Roman Empire itself, even at the zenith of its power, never reached the stature of the British colossus. We are self-sufficient and can do without the rest of the universe."

Is that quite true? Besides, is it desirable that we should form a separate group in the world? That we should shut ourselves up, as Joseph Chamberlain would say, in "splendid isolation"?

I do not think so, and the Empire delegates did not think so. The *vae soli* applies to nations as well as to individuals. The man who lives alone, and only for himself, is a bear among men; the nation that isolates itself is regarded with suspicion by other nations.

This was perfectly well understood by the delegates at the Ottawa Conference. Great Britain and her daughter nations were united not in a spirit of defiance or of provocation, but, on the contrary, in a spirit of world fraternity. Not a word was uttered that might give offence to anyone.

In the face of a world bristling with customs barriers we desire simply to protect ourselves.

From a higher point of view, might not this protection, however legitimate, have some objectionable features? For in raising fiscal barriers against some, and lowering them for others, we are in the final instance but increasing the number of international barricades erected throughout the world.

The Ottawa Conference aimed farther and higher. It invited other nations to enlarge the scope of the British Zollverein until it should embrace the universe. We are isolating ourselves only temporarily, for five years. It is an experiment we are making. If it succeeds, other nations will have but to follow our example. We shall gladly join with them and there will then be a real advance towards universal understanding.

Can you not see what such an understanding could accomplish for world peace?

We have, it is true, the League of Nations. But the League of Nations aims rather at disarmament and the prevention or restriction of hostilities. It does not reach the fundamental causes of war. Now, these causes, or at least many of them, have changed since the advent of world democracy. Formerly the ambition of a sovereign prince, the glory of conquest, the alteration of the Ems telegram, the whim of a court favourite, sufficed to throw nations into armed conflict.

It is said—and it seems true—that it was because of a visit that the cunning Disraeli had Queen Victoria pay to "her cousin" the Empress Eugenie, newly placed on the im-

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perial throne, that France joined with England in the military expedition to the Crimea, with which she had nothing to do.

Of the old causes of war there remain scarcely more than one, the desire of territorial aggrandizement. Democracy has caused most of the others to disappear. But it has given rise to a new cause—commercial exchange. Capital to-day is the absolute monarch of other days. Nations seek to enrich themselves at the expense of other nations. This is the spirit which must be fought. The ultimate result of the Imperial Economic Conference will be to combat such a spirit. When the nations shall have reached an understanding with one another with regard to their trade relations, the height of the fiscal barriers to be raised between them, and the method of interchange, the most profound causes of armed conflict will have disappeared. The League of Nations will then no longer have much reason to exist.

The Ottawa Conference is an invitation to the rest of the world to work out a method of commercial exchange applicable to all nations. Here, perhaps, may be found the solution of the great problem of universal peace. Canada in that case—for it was upon the invitation of our Prime Minister that the British nations assembled in Ottawa in August last—Canada will have been a precursor.

What leads one to believe this is the fact that several nations have already awakened to the idea of enlarging the circle described at Ottawa by the representatives of the British Empire—enlarging it, peacefully, until it embraces the world. There is soon to be a universal conference in London, and there is every reason to believe that our example will be followed.

The speech of His Excellency alludes to several other very important subjects to be studied—the railways, redistribution of electoral districts, the banks, the St. Lawrence Waterway. I will not touch upon those subjects, feeling that I have already tried your patience long enough. Besides, they will not come before the two Houses of Parliament until after the resumption of the session in the new year.

Hon. J. A. MACDONALD: Honourable members of the Senate, in rising to second the Address in reply to the Speech from the Throne I would ask the indulgence of my fellow senators while I make some reference to matters contained in the Speech. Before doing so, permit me to express my great appreciation of being associated with the mover of the Address. His long political service has been of great advantage to his

country, and his experience has been such an extensive one as has been had by few in the public life of Canada. He entered this House in 1885, at the early age of thirty-three, and has ever since been one of its most active members. He is an outstanding French Acadian, and among those of us who were born and reared in French Acadian communities his name is honoured and respected. We have followed his contributions to Acadian literature with great interest. Always a staunch Conservative, he has ever been a disciple of his great chieftain, Sir John A. Macdonald. I am certain that the Acadians of Nova Scotia will feel honoured to-day by the presentation which he has made in their native language.

(Translation) Mr. Speaker and honourable colleagues, it is a great pleasure for me to be able to compliment in his own language the honourable mover of this resolution. On all occasions he shows himself to be a worthy representative of the French of Acadia. The English-speaking Acadians are just as proud of him, and claim for the whole of Acadia the honour of possessing this noble son. An orator admired by the public and in Parliament, he has maintained his high reputation in the speech to which we have just listened. We congratulate him and thank him.

(Text) I think we can all agree that the Prime Minister deserves the goodwill of all our people for successfully bringing about the Imperial Economic Conference and obtaining results which will undoubtedly be of considerable benefit to many of the industries of Canada. Two years ago, at the Imperial Economic Conference in London, Mr. Bennett invited the Empire delegates to meet in Ottawa. He went further than any other important statesman at that time by making a definite offer of a further preference to British goods, provided a business arrangement were made between the two countries. The Conference met here in July and was probably the most important ever held within the Empire. It attracted world-wide attention, particularly in countries whose trade with Great Britain or the Dominions was threatened through any agreements that might be made. For nearly four weeks the delegates discussed matters of trade, not only between themselves and Great Britain, but with one another, and from that Conference have come twelve different trade agreements. Four of these directly concern Canada, there being one each with Great Britain, Southern Rhodesia, South Africa and the Irish Free State. These agreements are being placed before Parliament to-day for ratification, and will, no doubt, go into effect.

For the first time Canada has secured in the British market a decided preference on many of her products, particularly wheat, fruit, bacon, canned fish, copper; in fact, on all important products of Canada. It is expected that these preferences will secure a market for Canada and will free this country from the disastrous competition of such countries as Russia in the British wheat market. A tentative arrangement has also been reached to provide a wider market for Canadian lumber in Great Britain, and this will do much to revive the lumber industry, which is so important to almost every province.

On the other hand, Canada gives to Great Britain greater preferences on more than two hundred items, almost exclusively manufactured goods. It is believed that these preferences will not injure any Canadian industry, but will increase the market for British goods. In addition to the immediate benefit which Canada will secure, it is believed that this Imperial Economic Conference was but the beginning of a movement to conserve Empire trade for Empire people, and that Canada, looking to the future, may be confident of a steadily increasing trade with the Motherland.

One of the greatest problems that have concerned governments in Canada is railway transportation. The large and continually increasing debt of the Canadian National Railways threatened the financial stability of the country. The Bennett Government appointed a Royal Commission, presided over by Mr. Justice Duff, to inquire into our transportation systems. In the meantime both railways were urged to practise the most rigid economies, and the Government is being congratulated that the cost of operating the roads has been brought within reasonable bounds. The Commission has reported to the Government, and the report is now before Parliament. The report recommends that the identity of the two railroads be preserved, and competition in transportation maintained, but it provides a court to eliminate unnecessary and expensive competition and to see that justice is done to each of the railways. It is hoped that, through the elimination of unnecessary competition and the increase in business which now appears, the railways may regain some measure of prosperity. This year the Government will have to advance to the Canadian National Railways \$70,000,000. It is also hoped that this deficit will be reduced very rapidly in the years to come and that the system will become self-sustaining.

Honourable senators, it is generally conceded that during the past two years, when there has been a world-wide depression, Can-

ada has come through in better shape than any other country. There has been great unemployment in this country, but it prevails to a lesser degree than in the United States under similar conditions. One of the chief causes of the depression has been the low price of farm commodities. I am sure we all trust that there will be an increase in the price of these commodities, which is necessary in order that prosperity may be brought to all parts of the country. It is a matter for congratulation to Canada that during this depression not a Canadian bank, trust company, mortgage company or insurance company has failed. Up to the present time in the United States 11,189 banks have failed, with total deposits of nearly \$600,000,000. There has been no outbreak or disorder in this country; our people have stood steady under the depression, and in the main have carried on in a way which shows that they are confident and hopeful of the future.

Immigrants have been barred, except Canadians returning from the United States. It is believed that the Government would be well advised to discourage any further immigration until our own people are placed in work at a substantial wage. A movement is now being carried on between the Dominion and provincial governments to place a certain number of unemployed from our cities and towns on the land. This, it is expected, will be continued, so that surplus labour will be put on the farms and become self-sustaining.

It is felt that the worst of the depression is past; that while the return to prosperity will be slow, it will be steady, and that with the increase in business there will come more employment and a big reduction of the burden on the governments and on municipalities.

In the Speech from the Throne the Government takes a bright outlook as to the future. It is preparing to assist the unemployed this winter, or until general schemes can be put into effect next spring for giving work and wages to all. An enormous federal expenditure has been incurred in providing employment and relief, particularly in the four Western provinces, where the financial condition of the governments was acute. During the past three years one of the provinces, namely Saskatchewan, has suffered on account of a severe drought. We are happy to say that to-day its crops are abundant, and distress in that area has been relieved.

The Government has made an agreement with the United States for the development of the St. Lawrence Waterways. There has been no criticism that the agreement is not fair to Canada as regards expenditure. Some

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have criticized and thought that it meant a dangerous procedure. The work on the St. Lawrence Waterways will immediately have an effect on employment throughout Canada. When the project is completed it will give a water route from Fort William to Halifax, Sydney and all European seaports, and will be a cheap trade artery for the exchange of products between the Middle West and world markets.

Honourable senators, I think we can safely congratulate ourselves on the way in which this country has come through the world-wide depression, and that we can look to the future with every confidence that we shall gain prosperity more rapidly than any other country in the world.

I have much pleasure in seconding the motion for the Address in reply to the Speech from the Throne.

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

IMPERIAL ECONOMIC CONFERENCE AGREEMENTS

Right Hon. Mr. MEIGHEN: Honourable senators, before I move the adjournment of the House, I desire to say that it was intended the treaties made at the Imperial Economic Conference should be laid on the Table of this House simultaneously with their being laid on the Table of the other House, at 5 o'clock. I express regret at not being able to lay them on the Table until that hour.

Hon. Mr. DANDURAND: Will they be in shape for distribution to the members through the Post Office this evening?

Right Hon. Mr. MEIGHEN: I think so.

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

THE SENATE

Thursday, October 13, 1932.

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

Prayers and routine proceedings.

NEW SENATOR INTRODUCED

Hon. Joseph Hormisdas Rainville, of St. Lambert, Quebec, introduced by Right Hon. Arthur Meighen and Hon. C. P. Beaubien.

THE PRICE OF COAL

Before the Orders of the Day:

Hon. R. LEMIEUX: Honourable senators, before the Orders of the Day are called I should like to direct a matter to the attention of the right honourable leader, if I am allowed to do so. On the eve of a winter which will possibly be very severe, especially for poor people—and I think the majority of the people are poor—I am informed that there is a combine of coal merchants. The price of coal some years ago was about half what it is to-day. It is surprising that a product that cost, say, only \$8 a ton a few years ago is now selling at \$14, \$15 and even \$16 a ton. Many people would be grateful to the Government if the situation were investigated by the Minister of Labour, and I would ask the right honourable gentleman kindly to refer the matter to the Minister and stress the urgent necessity of relieving the public mind of the impression under which it is at present labouring.

Right Hon. ARTHUR MEIGHEN: Honourable senators, the subject of an increase in coal prices, or the allegation that an increase has been brought about by a violation of law, had not previously been drawn to my attention. As a private citizen purchasing coal, like other citizens, I have been very gratified to find in my own bill a reduction from the price of two and three years ago. However, I do not think the fact that any former Government may have been delinquent should at all impede the present one in doing its duty, if there is a duty to be done in the premises, and I shall call the attention of the Minister of Labour to the points made by the honourable gentleman this afternoon.

CONVERSATION IN READING-ROOM

Hon. J. J. HUGHES: Honourable senators, I desire to call the attention of the House to a practice that I think is wrong, and one that is growing; that is, the holding of loud and long conversations by some senators among themselves and their friends in the reading-room, a practice which makes it difficult for others to read at the same time. This condition has been existing for some years, but it appears to be worse this session than formerly. If it is against the rules it should be stopped; if it is not against the rules, I think the rules should be amended. Should I be the only one who is inconvenienced and who objects, I will withdraw my objection, but I think I am not the only one.

Hon. G. LYNCH-STAUNTON: If the honourable gentleman and other members would

speak loudly enough for everyone to hear, there would not be so much conversation going on.

Right Hon. Mr. MEIGHEN: The honourable gentleman's complaint was about conversation in the reading-room. I am not able to be in there sufficiently either to verify or deny the accusation, but I shall bring the matter to the attention of the appropriate committee of the House.

Hon. Mr. BUREAU: When a senator gets up in the middle of the Chamber and looks at the Speaker while making an address, it is very difficult for the older members sitting back here to hear or understand what is being said. I think that when a member is addressing this House he should face the opposite side, the Government or the Opposition, as the case may be.

Right Hon. Mr. GRAHAM: You get bad habits in the Commons.

THE GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY

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

Hon. RAOUL DANDURAND: Honourable members of the Senate, I desire to convey to the honourable gentleman from Acadie (Hon. Mr. Poirier) and the honourable gentleman from Richmond-West Cape Breton (Hon. Mr. Macdonald) my appreciation of the very interesting addresses that we heard from them yesterday. The honourable gentleman from Acadie has been a solid pillar of this temple since 1885. We all admire his continuing youth, which we hope he may maintain for very many years to come. He delivered his speech in excellent and most appropriate French; he could not do otherwise, for he is a master in the language; and we only hope that he will continue his activities among us for many years.

As to the honourable gentleman from Richmond—West Cape Breton (Hon. Mr. Macdonald), I hope that, enjoying as he does the fine breezes of the Atlantic, he will follow in the footsteps of our honourable friend from Acadie (Hon. Mr. Poirier) and remain to become one of the pillars of this temple.

We have just received in this Chamber a member hailing from Montreal (Hon. Mr. Rainville). From this side of the House I desire to welcome him. I do so with all the

greater pleasure because he was a law student in my office, and I venture the opinion that besides learning law he may have learned the way to manage and win elections.

We are met here, honourable members of the Senate, at this early hour of the autumn, to discuss the trade agreements that were laid before us last evening. It is needless for me to state what has been the policy of the Liberal Party in the matter of tariff enactments. We have always favoured a moderate tariff, believing that it would help to reduce the cost of living for the people of the country. Liberalism in economics expands trade abroad, and through competition at home reduces the cost of living; and while I have not studied the present agreements very minutely up to this moment, to the extent that they tend in that direction I heartily give them my approval.

I have said that the Liberal policy has always tended to have a moderating influence in tariff matters. The preference granted to Great Britain by the Laurier-Fielding Government had for its main object the implementing of the programme of the Liberal Party as decided upon at the Conference of 1893. The reduction that we granted to British goods not only helped to reduce the cost of those goods to the consumer in Canada, but at the same time helped to reduce the price of commodities imported from other countries, because it had to come down to a proper level in order that such goods might enter and compete in our market. We could not at that time think of asking Great Britain for any preferential treatment. For many years Great Britain maintained the policy of the open door, and we had free entry into that country. At all the Imperial Conferences that followed, however, Canada's stand was that if ever Great Britain was disposed to alter her fiscal policy we should then have a preference in her market.

At the Conference of 1902 Mr. Joseph Chamberlain stressed the advantages of the Dominions going a little further in the preferences that they were giving to Great Britain, and Mr. Fielding answered that Canada would be disposed to do more if she were given a preference by Great Britain. We all know that during the South African War an impost of one shilling per quarter on wheat and flour was fixed by the Chancellor of the Exchequer. At the Conference of 1902 Sir Wilfrid Laurier asked that this duty should be continued and extended to other farm products, and stated that under such conditions Canada would be disposed to increase her preference to Britain. Not only was the

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request for an extension of the duty refused, but hardly had the Conference dissolved when the shilling impost was dropped.

In 1902 Mr. Joseph Chamberlain was starting on his campaign for fair trade, that is, for some duty which would protect the British market and at the same time give a preference to the Dominions. In 1906 he went to the people of Great Britain on that very question: their answer was a decided negative. As I read the discussions that took place at the various conferences that followed, the matter was brought up in every phase at every meeting of representatives of the Dominions and of Great Britain. Then the War of 1914 intervened. The situation seemed to be altering in a way that would be agreeable to the Dominions. At the Conference of 1923 there was a ray of hope that Great Britain would do something towards granting them a preference. Mr. Baldwin was inclined to extend the McKenna duties. Our representatives at that Conference were the then Prime Minister, the Right Hon. Mr. Mackenzie King, my right honourable friend to my left (Right Hon. Mr. Graham) and Sir Lomer Gouin. The stand they took is illustrated in the correspondence, which was published by order of Parliament in 1924 as Sessional Paper 111.

On October 23, 1923, the Prime Minister, on behalf of the Canadian delegation, wrote to Sir Philip Lloyd-Greame, President of the Board of Trade, as follows:

My dear Sir Philip,—My colleagues and I have been considering with care the proposals as to preferential duties put forward by the Government of Great Britain at the meeting of the Conference on October 9, and which I discussed with you in our conversation at the Board of Trade on Saturday morning.

These proposals, which it was observed were within the framework of the existing fiscal system of Great Britain, will, we believe, be received in Canada with due appreciation as of distinct value to Dominion producers.

On two subsidiary phases of these proposals, questions have been put for consideration by the Dominion representatives:

(1) The duty on "other dried fruit" is proposed to be imposed on "such fruit, e.g., apples, pears, and peaches, as the Dominion representatives may consider of interest to their trade." The dried fruits suggested, in addition to those already included, appear to comprise those in which our producers are chiefly interested.

(2) As to tobacco, two alternative proposals are made, stabilization of the existing duty over a term of years, or an increase of the preference from one-sixth to one-fourth. An increase of the preference would, in our belief, present most in the way of advantage to the producers of tobacco in Canada. As to the course which the British Government and Parliament should follow, we would not venture to express an opinion.

More important are the general issues raised in the statements made by yourself in your

presentation of the present proposals, and by the Chancellor of the Exchequer. I may quote from the statement made by the Chancellor:

"We want you to tell us whether what we have proposed is going to help you, whether our proposals can in any way be improved, and if so, in what direction. That does not bind us to accept any suggestions that you make to us, any more than you are bound to accept any suggestions we may put to you as to what we might desire by way of increasing our trade with you; but it does give us the opportunity at any rate of realizing what the position is, and then it will be for us to say whether, consistently with the interest of our own people here, we can carry out what you have suggested to us."

In response to this welcome overture, I have pleasure in giving you a brief statement of our position.

Canada has been the pioneer in the modern development of preferential trade within the British Empire. She gave us the first preference to British goods in 1897-8, and took the initiative in requesting the abrogation of treaties which stood in the way of Imperial preference. This policy she has steadfastly maintained. The Canadian preference now covers, in varying degrees, practically the whole range of competitive British exports to the Dominion. During the last session of Parliament, a ten per cent discount on existing duties, constituting a further increase in the prevailing preference, was provided in the case of British goods imported through a Canadian port. Canada has given preference in her own interest as well as in what she conceived to be the interest of the rest of the Empire. It has never hitherto, in the case of the United Kingdom, been made conditional on the grant of an equal preference in return. We have at all times recognized the importance of conceding to each government concerned the right to legislate as its own interests might demand, on tariff matters, or, in other words, complete control over its own fiscal policy. Should the British peoples decide at any time that it will be in their own interests as well as what they conceive to be the interests of the Empire to make far-reaching changes in their present fiscal policy, Canada will naturally expect that in the establishment of a tariff, full and adequate consideration would be given, through preferential duties, to the interests of Canada's producers and to the substantial preference which Canada accords to British goods.

Coming specifically to the proposal of the Chancellor of the Exchequer that we state what preferential duties would be of most advantage to our producers, and noting that the Chancellor quite properly observes it will be for the British Government to consider whether such duties would be in the interest of the British people, I now outline some of the chief Canadian exports to Great Britain in which an effective preference would be of most value. The list, of course, is not exhaustive.

Wheat obviously comes first and easily foremost. It is our most important article of export; the quality is unquestioned; the market is now highly competitive; Canada's export surplus is greater than the total British import.

Next in export importance among the grains comes barley, of which Canada normally produces sixty to seventy million bushels, and exported to the United Kingdom last year about ten million bushels.

Milling, particularly of wheat flour, ranks high among Canadian industries. It is closely and naturally connected with our agricultural industry. The production of flour normally runs about 15,000,000 barrels; last year our exports reached nearly 7,500,000 barrels, of which nearly 5,000,000 came to the United Kingdom. The industry is capable of very great expansion if greater markets are opened. Flour is, of course, a commodity of which the production and milling capacity in Great Britain is large. The effect of a duty would, therefore, depend very largely upon the extent to which the Canadian miller was put in a less advantageous position than the British miller; a duty which was distinctly protectionist rather than preferential would not, in the long run, we believe, be as advantageous to Canadian millers as the existing situation.

Of the other agricultural products, excluding those already covered, the most important are fresh fruits, apples, peaches, pears, and plums, all of which Canada produces in unexcelled quality, and, especially in apples, in very large quantities, with difficulty at present in finding profitable markets; (for Canada, a preference on fresh fruits is of much more importance than on dried or preserved fruits); cheese, butter and eggs, bacon and hams, canned vegetables. Of our fishery products, canned salmon, which is faced with competition from the United States, Japan, and Russia, would at present be most helped by a preference.

Sir Philip Lloyd-Greame acknowledged the letter, as also did Mr. Neville Chamberlain, and declared that in the course of the week he would continue the discussion with my right honourable friend to my left (Right Hon. Mr. Graham). This took place in October, 1923. What followed is well known. Mr. Baldwin, who had a majority of two or three hundred in the House of Commons, submitted to the people the issue of protection against foreign goods, and in January, 1924, was overwhelmingly defeated on that issue.

This explains the situation that followed, and up to 1931 the answer of Great Britain to all requests for a preference was in the negative. But economic nationalism gradually closed most of the markets of the world and increased Great Britain's difficulty in exporting goods. The British people were then brought face to face with the necessity of changing their traditional policy, and the members elected at the last election felt that this was an opportunity which up to that time had been denied them, and that they had a mandate authorizing them to impose a duty upon foreign goods. The Right Hon. Mr. Bennett in 1930 had encountered the same cool temperature that his predecessor had experienced, but 1931 brought a ray of hope to the Dominions.

The recent agreements have just been disclosed to us, and I confess that I have not been able to go minutely into their various details. I will refer only to some matters which seem to call for comment, and perhaps

the right honourable gentleman (Right Hon. Mr. Meighen) will be able to answer certain questions which have arisen in my mind.

Canadian wheat is granted a preference of six cents per bushel. Of course this does not mean that our producers should expect an increase in price of six cents a bushel, because there is in the convention a statement which binds the producers of wheat to sell in Great Britain at the world's market price. Our producers may get a preference when entering the British market, but the price would be the same as would be obtained from a sale to other countries. If Russian wheat is debarred under the dumping clause from entering the British market, it will still be a considerable factor in establishing the world price, and consequently the Liverpool price, for our wheat. I do not even see how the British wheat grower will be able to receive any advantage over outsiders, although he is protected up to six cents, because I am quite sure that the milling interests in Great Britain will see to it that the price they pay is that of the world market. Our advantage will be that of receiving a preference for whatever quantity of wheat the British market can absorb, but, as I say, the price will have to be the same as we could get elsewhere. When we think of the huge crop of wheat that we have had this year we realize that Great Britain is not able to absorb a very large part of our supply. However, we shall have the advantage of preference over outside competitors unless they are willing to make a sacrifice and absorb the amount of the duty.

Our dealings with Great Britain should not result in increasing the price of wheat to the British consumers. I have heard it said more than once that there are twelve million people in England who just manage to keep body and soul together, and I sympathize with them in their demand for cheap bread. I have seen the slums of Glasgow and of other cities in Scotland and England, and I know something about the conditions that exist there. A year or so ago I saw a despatch from Glasgow stating that the municipality had in force a regulation by which the price of the 4-pound loaf was automatically fixed according to the price of wheat. The despatch went on to say that during the preceding eighteen months the cost of the loaf had been gradually reduced by from one to five cents because of the arrival of two large cargoes of Russian wheat in that city. It is important that we should not seek any favour that would result in raising the price of wheat on the British market—that we should content ourselves with the preferences given by the treaty.

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Honourable members, we are now attempting to bring about the importation from countries in the British Commonwealth of goods that we formerly have been importing from other countries. If we could accomplish nothing more than that it would not go very far towards increasing our prosperity, but we are hoping for a larger exchange of goods. I am thinking of the effect that these agreements will have upon our trade as a whole, for if we discontinue purchasing goods from countries from which we have been buying up to the present time they will certainly demand a readjustment of our trade relations with them. I have before me a table showing the growth of our business from 1922 to 1929 with thirteen countries with which we have most-favoured-nation relations. I will read the table:

	1922	1929
Argentina.. . . .	\$ 3,233,520	\$14,493,798
Belgium.. . . .	12,419,251	27,451,064
Columbia.. . . .	127,820	1,801,880
Denmark.. . . .	2,243,861	5,983,897
France.. . . .	8,248,438	16,243,747
Italy.. . . .	15,340,430	23,038,832
Japan.. . . .	14,877,168	42,106,953
Netherlands.. . . .	9,592,938	44,465,864
Norway.. . . .	3,914,231	7,437,128
Spain.. . . .	848,495	5,704,260
Sweden.. . . .	1,221,018	4,796,490
Switzerland.. . . .	867,794	560,460
Venezuela.. . . .	512,499	1,792,685

We increased our business with these thirteen countries from \$73,000,000 to \$195,000,000 between the years 1922 and 1929. The figures have gradually become smaller since 1929, but those that I have read indicate the possibilities of business development in normal times. But what will be the reaction of those countries when they feel the effect of our Empire agreements? We probably shall be called upon to negotiate new conventions with those countries, and time alone will tell what changes will result.

There are some features of the treaty with the United Kingdom that I approach with misgiving. My right honourable friend may be able to paint their value and effect in more rosy hues, but it seems to me that they contain an unprecedented and pernicious principle. I refer to articles 10, 11, 13, 14 and 15 of the treaty. They are fraught with considerable danger, for they establish an intermeddling with our fiscal policy. They indicate outside interference, which has not been welcomed in this country. Besides, it strikes me that they are hardly possible of application. Here is Article 10:

His Majesty's Government in Canada undertake that protection by tariffs shall be afforded against United Kingdom products only to those industries which are reasonably assured of sound opportunities for success.

I wonder if these are not mere words. The protection to be granted to new industries is a matter within the discretion of the Government and Parliament of Canada. I remember the time when a freer trade Government—I am referring to the Laurier Government—refused to give protection to a new industry until its production reached two-thirds of the quantity of such goods necessary to supply the country's needs.

This Article 10 reminds me of the proposition made by Mr. Joseph Chamberlain in 1902 or 1903, in the course of a famous speech in which he said that if preference on the British market were granted to the Dominions they would have to bind themselves not to develop new industries. His statement was strongly criticized, and he eliminated it from the speech as revised and published later on. I saw a copy of the original speech and a copy of the revised one in our Parliamentary Library. Article 10 is very similar in principle to Mr. Joseph Chamberlain's proposition, and may have been inspired by his son, Mr. Neville Chamberlain. This article need not have been put into the treaty, because it may be taken for granted that no government would think of granting protection to any industry other than those indicated in this undertaking. Of course there was an exception made—and it may be said to prove the rule—when we levied a duty on glass for a few months. It was not practicable and was soon withdrawn.

Article 11 reads:

His Majesty's Government in Canada undertake that during the currency of this Agreement the tariff shall be based on the principle that protective duties shall not exceed such a level as will give United Kingdom producers full opportunity of reasonable competition on the basis of the relative cost of economical and efficient production, provided that in the application of such principle special consideration shall be given to the case of industries not fully established.

Article 12 binds the Government to do what it is already obligated to do, that is, to establish a tariff board.

Article 13 says:

His Majesty's Government in Canada undertake that on the request of His Majesty's Government in the United Kingdom they will cause a review to be made by the Tariff Board as soon as practicable of the duties charged on any commodities specified in such request in accordance with the principles laid down in Article 11 hereof and that after the receipt of the report of the Tariff Board thereon such report shall be laid before Parliament and Parliament shall be invited to vary wherever necessary the Tariff on such commodities of United Kingdom origin in such manner as to give effect to such principles.

Article 14:

His Majesty's Government in Canada undertake that no existing duty shall be increased on United Kingdom goods except after an inquiry and the receipt of a report from the Tariff Board, and in accordance with the facts as found by that body.

And Article 15:

His Majesty's Government in Canada undertake that United Kingdom producers shall be entitled to full rights of audience before the Tariff Board when it has under consideration matters arising under Articles 13 and 14 hereof.

Reverting to Article 11, providing that—

—the tariff shall be based on the principle that protective duties shall not exceed such a level as will give United Kingdom producers full opportunity of reasonable competition on the basis of the relative cost of economical and efficient production—

it seems to me that this is a mere collection of words, for under such terms high protection can be justified, and has constantly been justified. It is the difference in cost of production that has been the main reason for increasing duties.

But more extraordinary still is the creation of a tribunal before which the Government of Canada may be cited as a defendant. His Majesty's Government in the United Kingdom apparently would be the plaintiff, but we all know that the complaint would be made and the machinery set in motion by producers. I cannot find in the treaty any reciprocal provision in favour of Canada, for the Government of Great Britain does not bind itself to set up a tariff board in London. It seems strange that we should set up a tribunal of appeal to call in question the action of our Government and our Parliament. One would have thought that any question arising by reason of our abiding by the terms of the convention should not be decided in that way, but that we should have some say in the matter.

Article 4 is of very great importance to Canada, since under it, by a stroke of the pen, we might lose the advantages that accrue to us under one of the schedules. It reads:

It is agreed that the duty on either wheat in grain, copper, zinc or lead as provided in this Agreement may be removed if at any time Empire producers of wheat in grain, copper, zinc and lead respectively are unable or unwilling to offer these commodities on first sale in the United Kingdom at prices not exceeding the world prices and in quantities sufficient to supply the requirements of the United Kingdom consumers.

Article 4 gives the United Kingdom the right to withdraw advantages that are accruing to Canada under the agreement in respect to grain, copper, zinc or lead. If my right honourable friend can find any extenuation for that article I should be glad to hear of it.

I see that Article 7 says:

His Majesty's Government in the United Kingdom will invite Parliament to pass legislation which will secure for a period of ten years from the date hereof to tobacco, consigned from any part of the British Empire and grown, produced or manufactured in Canada, the existing margin of preference over foreign tobacco, so long, however, as the duty on foreign unmanufactured tobacco does not fall below 2/0½d. per lb., in which event the margin of preference shall be equal to the full duty.

The article provides for legislation covering ten years, but the convention is for five years. I cannot reconcile the termination of the convention with the retention of Article 7. Perhaps my right honourable friend will explain what appears to be an anomaly or a contradiction.

It seems to me that in the application of those agreements there is no equality of treatment in London and in Ottawa. Are we not independent units, equal to one another and entitled to equal and fair treatment?

What effect will these agreements have when we meet the outside world in the Economic Conference shortly to be held in London? Will they stand as an example to the outside world, as some assert, or will they be an impediment, as others contend? Although I have gone through the treaty agreements but hastily since they came into my hands last night, I notice that there are increases in duties which will stand before the World Conference, and which may be deemed to be impediments in the way of a general tariff reduction. We must not forget that at the World Conference of 1927 there was a unanimous resolution in favour of reduced tariffs. Even our good friends on the other side of the line joined in that resolution, though lately, I hear, Mr. Hoover, the outgoing President, has stood for higher tariffs and promised the electors, more especially in the agricultural communities, still higher tariffs on some commodities.

I think the Right Hon. the Prime Minister will find that economic nationalism will not be regarded as restoring prosperity throughout the world. Under it our transportation by land and sea has broken down. The best excuse that has been formulated for a high tariff is that it can be used as a negotiating instrument. If so, it would be, at best, but a transitory or provisional argument. I hope that by means of the instrument forged by the present Government it will be possible to obtain throughout the world such advantages as will help to make that instrument unnecessary, because a high tariff, while it stands, is a great hindrance to the farming com-

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munity. Equilibrium must be established between farm products and industrial products, for only then will the purchasing power of the farming community be restored. During the late days of last session, I think, I stated that the Archbishop of Montreal in a very important pronouncement had said that the farmer alone should not bear the burden, and that if high wages were the cause of the high cost of production those engaged in industry should bear their portion of the load.

The railway problem will be before us when the Government's policy on the subject is known. Whether or not the legislation will follow closely the terms of the report of the Royal Commission or embody its conclusions I cannot say, but it will be interesting to see the result of the Government's cogitations on this matter.

As to the St. Lawrence Waterway Treaty, if the Senate of Canada awaits the pleasure of the Senate of the United States before acting, and the United States Senate runs true to form, it will be some years before a conclusion is reached.

Right Hon. ARTHUR MEIGHEN: Honourable members, all of us in this House are proud of the long service and fascinating personality of the honourable senator from Acadie (Hon. Mr. Poirier), and the fact that he was chosen to perform the duty of moving the Address at this session, and that he accepted, has given us a pleasure which has been added to by the manner in which he performed that duty. The honourable senator from Richmond—West Cape Breton (Hon. Mr. Macdonald) is new among us, being the youngest member of this House until to-day, and in following the oldest member of this House he has well and truly performed the task of seconding the motion for an Address in reply to the Speech from the Throne. I extend my congratulations to both of them, but to the honourable senator from Acadie I do so with the deference of a novice to a professional.

I have listened with very keen interest and great care to the speech delivered by the honourable leader of the other side of the House. The debate on the Address is, or ought to be, the first great inquest of the nation's representatives into its affairs. Certainly it should be made such by this House, and should be conducted just as earnestly and as thoroughly and universally—if the word is not too strong—as in the Lower House. There is no way in which we can perform our duties better than by making this the occasion of a searching enquiry, and we ought to seek to conduct that enquiry with the business-like efficiency of which we think we are en-

titled to boast, and with freedom from certain characteristics which necessarily mar somewhat the efficiency of debate in the Lower Chamber.

I am not sure that I shall be able to live up to the expectations of my honourable friend opposite (Hon. Mr. Dandurand) in the way of answering his criticisms or his questions with respect to certain features of the trade agreements mentioned in the Address. The trade agreements are now before the other House and will come before us in due course, when probably the details of clauses can be better and more thoroughly reviewed than at the present time. However, the agreements are referred to in the Speech from the Throne, and I will make some comment on the observations of the honourable senator, and may partially answer some of the questions he has put.

I feel that something worth while was done at the Imperial Conference. I felt exceedingly proud of the Government of Canada when I saw the results of that Conference. I can say this with all the greater freedom because personally I had nothing whatever to do with those results. Circumstances were such that it was impossible for me to take any part in the deliberations of the assembly, and for what has been done, whatever it may be, the credit must go entirely to the other members of the administration, chiefly to the Prime Minister himself. What Canada obtained by way of concession from the other Dominions was made known in its larger features immediately the Conference was over, but, inasmuch as what Canada gave by way of corresponding concessions involved a modification of the existing tariff structure, and there would be a consequent disturbance of business if announcement were made prior to its taking effect, information on this point has come to the knowledge of our people only within recent hours, and therefore any one of us is rather inadequately prepared to discuss this special feature of the treaties. I have never feared that the concessions would be disastrous to Canadian industry in any major degree; I have always felt that they had to be given, that they had to be substantial, and that it was well worth our while to extend them in order that trade advantages which we think most vital, especially to agriculture, might be obtained.

I have seen some criticism of the whole principle of the negotiation on the ground that it initiates a system of bargaining or trading between different parts of the Empire, and that such a system is of itself dangerous, in that it is likely to lead to friction between those different parts, and may possibly cause

disintegration. I do not feel that this fear of Empire disintegration has any more secure or worthwhile foundation than many others that we have heard of in times gone by. The principle of bargaining is just the alternative to ill-considered or slapdash legislation. It is not a new principle as between ourselves and other Dominions, or between ourselves and foreign countries, and I am entirely at a loss to see why the great self-governing Dominions of this Empire, meeting together in conference, should not be able to come to a mutually advantageous bargain, when we have always assumed that the Dominions could perform such a feat with wholly independent states. Indeed, the fear does not seem to have arisen except in most recent times, and in rather limited quarters.

I am indebted to the honourable senator opposite (Hon. Mr. Dandurand) for going back somewhat over the history of trade preferences and Imperial trade. With his history I have very little fault to find; in fact I do not think I have any at all. I observed, however, from a letter which he read, addressed in 1923 by the then Prime Minister to the proper official of the British Government, that negotiations were conducted and a bargain was sought to be reached. No doubt this was after verbal conversations. But whether it was or not, I do not understand why verbal conversations in the way of a trade bargain should be dangerous if the written exchange of views with the object of making a bargain is perfectly safe.

Going farther back, the honourable senator referred to an offer made, perhaps not by letter, by the Minister of Finance of 1902, the late Hon. Mr. Fielding, to negotiate with the Government of Great Britain, and saying that if that Government would go the distance of extending a preference to Canada, as a result Canada would further extend her preferences to Great Britain. That is so close to the line of negotiation that I am afraid my mind is not highly tempered enough to perceive any distinction. Surely negotiation is safer—

Hon. Mr. DANDURAND: I did not make that argument myself.

Right Hon. Mr. MEIGHEN: I did not think the honourable gentleman had any sympathy with the argument while he was discussing it, and I know now from his frank confession that he has not.

The terms of the treaties are of course of great importance to us in the admittance that they give us to the various Empire markets, and particularly to the great British market,

in respect of the natural products of our country. I do not think the honourable senator opposite has very great hope that the preference in respect of wheat is going to advance substantially the price of that article to Canadian farmers. My observation on the subject would be this. It seems to me, as I said last session, that there cannot be any consistent, dependable increase in wheat values over the general level of the world market; but, even conceding that that proposition is true, I see a great advantage. You may not get a consistent or continuous advantage. Trade levels, prices of commodities, world prices and the prices in different countries vary not only according to geography but according to time, and depend on the interworking of supply and demand the world over. There are times when this advantage will undoubtedly give a higher price to the Canadian farmer, though I do not claim that it can be consistent or continuous. The preference does give him the first entrance, the priority, at the gate of the British Empire with his product. It gives him that over all competitors, and that means an earlier sale and a quicker shipment of his goods. If this country has suffered from one thing more than another in the last four or five years it has been this, that instead of products being sold and shipped promptly they have been held back. This has had a depressing effect on market levels and has been one of the chief local causes of the depression.

But it must be noted that in the letter from the Prime Minister of that time to Sir Philip Lloyd-Greame in 1923, there was put right in the forefront of the requests from Canada, as the one thing that this country wanted first, foremost and above all, a preference in England for the wheat exports of this Dominion. If that was the first, best and dearest objective in 1923, surely it is not well to deride the achievement of that objective in 1932. What was then a pious wish is now an actuality. And I would rather be among those who were participants in the realization than merely with those who were the founders of the hope.

There is, though, a feature of the treaties in respect to farm products that I personally think is of still more value, and that has to do with the elimination of impediments in the way of the transport of our animal products to the British market. The honourable senator from High River (Hon. Mr. Riley) called attention last session to the delay in and the final ineffectiveness of the removal of the embargo against Canadian cattle in

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Great Britain. These difficulties, of which the honourable member rightly complained, have been wholly or almost wholly—and I think wholly—removed by the terms of the treaty. Certainly a tremendous advance has been made along that line. The senator from High River was hopeful that this advance would be of great benefit to us. If he was right in his hope, that hope is not one that maketh the heart sick, because it too is brought into actuality.

Turn to the subject of bacon. Bacon is a product that we of all the nations in the Empire are the best fitted to produce in the highest quality and at the lowest price. The raw materials of the bacon product, as it is produced in modern times, are barley and oats, and Canada is undoubtedly the lowest cost producer of these grains in the world. Our climate is suited to this industry and we are not too far from the main world markets to prevent our laying bacon on those markets at the lowest price. Denmark and Poland, but chiefly Denmark, have monopolized the British market for a long period of years. They have earned their monopoly by a thorough study of the whole science and practice of hog production. In those countries certain standards have to be reached before the goods are allowed to be exported. There must be a dependable supply year after year; even month after month within the year there must never be a failure of supply merely because the price is low. The Danish farmers are properly organized and have lived up to these requirements.

Canada has tried for many years, but so far with very meagre success, to break down that ascendancy of Polish and Danish farmers, and by the instrument of these treaties we now have a real opportunity. I am not going to predict to what extent we shall take advantage of it. It depends on the farmers of this country, in co-operation with our packing industries, what benefit they actually get under the treaties that are now to be enforced. Under these treaties a quota—and a very substantial quota it is—is allotted to the Dominions within the British Empire in the market for bacon; and if we produce the goods, and produce them consistently and of the desired quantity, we shall have a real advantage over our greatest competitors in the best market in the world. We are in a position to defeat those competitors, and it is our fault if we do not do so. There is no other Dominion in the Empire that we need seriously fear in this industry. The others have not the same conditions of production, and the nature of the

climate and the distances they have to travel to get to the market place them under substantial hardships. Consequently, the benefit of that quota should be Canada's benefit in the main. Governments can only provide opportunities, can only open the door. It is for industries to take advantage of the opportunities and pass through the entrance that is obtained.

In respect of the tobacco provisions of the treaty, I have to admit frankly that I cannot make any satisfactory answer at the moment to the questions put by the honourable senator who has just spoken; but I will undertake that as good an answer as I can find shall be given at the appropriate time, when the treaty itself is under review. I should think that when the treaty expires—but I am speaking only off-hand—all its provisions would expire, but probably the ten-year limit that is in the tobacco provisions is one that obtains when the treaty goes on, as it is contemplated that it will go on, past the ordinary five years named in the provisions.

There has been criticism offered of certain terms of these pacts that have to do with the principles which Canada must follow, in compliance with the pacts themselves, in relation to tariff policy. The only complaint is that these are principles that no government would think of violating. Possibly that is true. But the difference between what is going to exist under this treaty and what has existed will be this: under the treaty a tribunal with the status of a court will be established—it is already established, it is true, but it will be given functions under this treaty—before which tribunal all questions having to do with the application of those principles will be dealt with. In a word, the actual application of the principles that we all agree should be adhered to is shifted from the political arena of give-and-take, from what is usually called log-rolling, to a tribunal that will base its decisions upon certain definite ideas and principles. Surely that is an advance.

It is stated here, for example, that Great Britain shall have competitive conditions of trade with this Dominion. That is to say, if the level of wages is at a certain point in England and at another point here, the tariff shall be such as will reasonably atone for that difference in wages—and of course for differences in other factors of production too. But it shall not go beyond that; it shall not reach any exclusive or prohibitive status at all.

The level of competition shall be maintained so that the British producer will have an equal show, regard being had to the different costs of production, with the producer in this country. No one could describe the practice, if it follows that principle, as being high or prohibitive protection. It is only what is fair—and, indeed, essential, if industry in this country is to live. What I contend at the moment is that it is infinitely better to have the application of that principle in the hands of an impartial tribunal, operating with the status of a court of justice, before which all interested parties can be heard—the final decisions, of course, having to be with the Parliament of Canada—it is infinitely better to have the principle reviewed before such a tribunal and to have that tribunal's report before us than it is to have things done in the rather haphazard and certainly none too successful way in which they have been done in the past.

I have not observed in the treaty any terms under which Canada can argue before a court in Great Britain that Canadian producers of grain or metals have been complying with provisions of the treaty to the effect that they must have the goods to sell and be willing to sell them at world prices on the British market in order to get the prior entrance into that market which the treaty provides. But I do not think we need worry very much on that score about the grain producers, for we know their trouble is that they have the goods and want to sell them. That is their distinct objective, their only objective. There is no danger in the world about their not being ready to supply the British market with the quantity of goods that market can consume—and indeed with double the quantity—at all times. And I do not think there is very much danger that the producers of lead, zinc and copper, who also get advantages by way of priority under the treaty, are going to be in default in that regard. If difficulties should arise that could not be settled by an interchange of views, there would be, I think, no objection by any party to this treaty to our being given the right to be heard either before a tribunal in Great Britain or before the Government itself. The fact is that the British Government felt that the principles set up would be fair if they were carried out, and they were content to leave the carrying out of them to a judicial tribunal. In this way they are relieved from the uncertainty that would follow if the execution of the treaty were left to the varying vagaries of succeeding governments in Canada.

I pass from such hurried remarks as I have made on articles 10 to 14, which were discussed by the honourable senator, to his comment on the references to the Canadian National Railways in the Speech from the Throne. The Speech says that legislation will be laid before both Houses of Parliament looking to a correction of abuses, in the way of extravagant management and of costly and unnecessary competition, which have brought the system to the pass in which it is to-day. I have a great interest indeed in all matters that pertain to the Canadian National Railways. They were brought into existence, against a spirited opposition, just prior to the beginning of the last decade, because of a succession of more or less disastrous events that followed the tremendous riot of railway building in the early part of this century. One after another of the projected systems fell into liquidation—which simply meant that it fell into the lap of the Government—and more or less dragged other, more successful roads into the same unfortunate morass. Efforts were made year after year to help those systems by means of loans, and when it became impossible to pursue that course any longer the Government of the time faced the alternative of allowing liquidation of the lines competing with the Canadian Pacific and the consequent passing of the best paying of those lines into the hands of their competitor, leaving on the Government's hands a heterogeneous, disconnected mass of roads that could not possibly be made to pay, or of collecting all the lines into one great whole and bringing them necessarily—for there was nothing else that could be done—under the control and ownership of the people of Canada.

The latter alternative we accepted. We accepted it, as far as I was concerned—and I think the same may be said for all concerned—not because of any sentimental enthusiasm for government ownership of industry as such, or even of utilities as such, but as the better alternative before us, under the unfortunate conditions that had been brought upon us by errors of times before. The roads were to be under the management of the man who chiefly had directed through a very difficult period the line that was then most national in character and the most essential of all the elements of the new aggregation.

The new system was run, so far as I know, without error of policy, certainly without the error of extravagance and without the error of corruption. It was run cleanly and, I believe, efficiently, under that management, until the Government of the day went out of office at the end of 1921, and for about

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nine months thereafter. In that period of time the gain in overtaking the deficits of the past was the greatest in the history of the system. Yet that was not a prosperous period; on the contrary, it was the time of the first depression following the War. Even in that depression very gratifying results were obtained. The succeeding Government paid its tribute to those responsible for those results, which we all hoped would be continued. But that Government, which came into office at the end of 1921, decided that the whole slate had to be cleaned. So far as I know, only one member of the former Board, Mr. Ruel, was retained. The management was dismissed; the general manager was told to go. The man in charge of the most vital of all the functions of administration, finance, whose record was unimpeachable, was told to pack his kit and get out. Then there dawned upon us the era of Sir Henry Thornton.

Sir Henry Thornton was entitled at the hands of the people of Canada to every opportunity to make a success of the National Railways of this country, and I do not think anyone will say he did not get that opportunity. I recall to the House certain basic principles of the legislation which, against great resistance, we succeeded in passing in 1919. The two greatest of those principles were that the day-to-day operation of the road, the management of its personnel and property, should be in the hands of a board, with a general manager at the head, uninterfered with by the Government, Parliament, or political influence of any kind, but that in the sphere of capital investment and finance the Government, with Parliament at its back, should be supreme.

It was never dreamt of, never should have been dreamt of, that the policy of "Hands off the C.N.R." would mean hands off control of the capital and finances of that system, but such interpretation apparently was given to it by the Government which came into office in 1922. It was not long before there were features of control of that system which seemed to me to warrant attack. Attack at that time was not well received by the people of Canada, and much was the abuse heaped on anyone who dared challenge the judgment of those in control. The policy of "Hands off the Canadian National" was proclaimed from end to end of this country, the changes were rung on "Hands off Sir Henry Thornton," and our hands were certainly kept off him and off the system.

However, time works to cure most of the ills of this world. Now we have the result

of that policy in all its significance—the result depicted in the lurid pages of the report of the Transportation Commission. We have the result in a burden on the backs of the people of this country, the heaviest any young country ever bore with respect to any single enterprise, a burden from under which it is going to be tremendously difficult for us to emerge, and it will take us a very long time indeed. You can look anywhere over the length of this Dominion, at either coast, in any province, almost in any city, and see blazing instances of extravagance, an extravagance wholly at the expense of the taxpayers, an extravagance which is the principal chain that ties the feet of Canada to-day. Because of the condition which we had reached, because of the effect of that condition on world money markets, because of the fear expressed in relation to it, because of the world-known rate of extravagance at which the Canadian National was going, something had to be done, first, to expose the situation, and, next, to suggest a cure. The Duff Commission made a very, very thorough inquiry. Now they have made their report. At the moment I am not going to comment on that report. I am not sure that in every regard it is what I should like. The people of Canada are jealous of the National System; even those who criticized the very thought of government ownership in 1919, even those who were elected to the other House because of their declared and eternal enmity to any such system, became adherents of government ownership, became almost idolaters of the then management. And indeed, though in a way the travel has been hard and though the errors have been blazing and terrible, I do not think government ownership of utilities is to-day any more unpopular than it was in 1919. I have no doubt the members of the Transportation Commission, in framing their report, kept well in mind that the Canadian people are still jealous of the Canadian National System. If the National System is to be continued under separate management, then, in my judgment, no very serious criticism can be made of the report. Certainly there are many features of it that are to be highly commended; there are some that involve difficulty. An attempt will be made to put into effect all the recommendations if possible, certainly all that are practicable. That is the legislation which is referred to in the Speech from the Throne, and which in due course will be brought down for our consideration.

I close my comments on the subject with this statement, that certainly I have suffered grief in previous years, knowing the end to which the National Railways were hurrying. I do not know that there is anyone in this country more keenly anxious for their success than I, and I do earnestly trust that with the approval of all something can now be done to restore conditions that will enable them to be run economically, as any business enterprise ought to be run, under principles and through an organization that will be adhered to and supported by men of all parties and by all classes of people in this country. But if we again allow things to go as they have been going, then it will not matter much whether we are believers in government ownership or not; we shall have reached a stage where it will not be possible for this country to pay its debts.

At this time I am not going to make reference to any other features of the Speech from the Throne. There are certain of them of very great importance, but not peculiarly interesting to the Upper House. The subject of redistribution is of course one entirely for the House of Commons. The subject of waterways is not of very immediate interest to us now, inasmuch as there must be approval first by the Senate of the United States before anything is submitted to this Parliament at all. I do not pose as an authority on the St. Lawrence Waterway, but if on a balance sheet presentation something is to be gained for the benefit of this country by the construction of that work, then I think the terms are such as are fair as between this Dominion and the United States. However, this, along with other features of the Speech from the Throne, will come before us for more careful treatment when they are in specific and separate form. For the present I thank the honourable senator for the fairness and thoroughness of his criticism, and I trust that the same fairness and the same thoroughness will characterize the treatment of the Speech from the Throne on the part of all other honourable members of this House.

Hon. J. S. McLENNAN: Honourable gentlemen, after the two brilliant speeches to which we have just listened with great interest, I feel somewhat uncomfortable in speaking on the various points dealt with in the Speech from the Throne. In common with those honourable senators—although I may not be able to express my sentiments in such apt terms—I desire to congratulate my friend from Acadie (Hon. Mr. Poirier) on the graceful manner in which he moved the Address in

reply to the Speech from the Throne. It is always a pleasure to hear his felicitous language, and naturally one regrets not to have such a perfect knowledge of the French tongue as would permit the fullest appreciation of his eloquent periods. I also congratulate my fellow member from Richmond—West Cape Breton (Hon. Mr. Macdonald), who seconded the Address. It will give me warm personal pleasure if he becomes the useful member of this House that those who have known him in the past feel confident he will become.

I have no intention of discussing in detail the various subjects contained in the Speech from the Throne, particularly those which have been so adequately and so exhaustively treated in the two speeches with which we have been favoured this afternoon. But I do desire to bring to the attention of this House the St. Lawrence Waterway in its possible relation to and effect on the Maritime Provinces. It is generally admitted that the inclusion of the Maritime Provinces was essential to the success of Confederation. One can scarcely believe the present commercial and industrial development of this Dominion would have been possible had we been deprived of ice-free ports on the Atlantic coast. These were provided by Nova Scotia and New Brunswick. But the economic forces which came into play about that time very seriously affected those provinces; their merchants were hampered by the competition of the merchants of the older and richer and more highly developed provinces, and their great shipping industry sadly declined. In spite of those adverse conditions the Maritimes did their full share in providing money to develop the West, to develop the canal system of the Dominion and to build the railways, which finally reached British Columbia and so consolidated Confederation. The Maritimes also helped to bring about that amazing development which has made Canada the preponderating factor among the wheat-producing countries of the world. I am not passing any opinion on whether this is the right time to undertake completion of the St. Lawrence Waterway, but I do desire to bring to the attention of honourable senators the feeling very generally held in the Maritime Provinces that this development will be disadvantageous to their coal mining industry, which is the great ganglion of the economic life of those provinces. They fear that a waterway which will carry the products of the world to the head of the lakes will prejudicially affect the coal trade of Nova Scotia. I am not saying that that fear is well founded, but if there is

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even danger that the development of the St. Lawrence Waterway for navigation and power purposes may intensify competition in their coal trade with the great central industrial and manufacturing provinces, I hope that the representatives of the other parts of the Dominion will see to it that the interests of one of the original and most important sections of this great country are adequately safeguarded.

Those who have sat in this House for a certain number of years are aware that on more than one occasion we have had to make momentous decisions. The right honourable leader of the House, in the course of his speech this afternoon, recalled one such momentous decision with respect to what is now known as the Canadian National Railways. At that time some of us regretted to find ourselves in opposition to the policy of the Government, but I venture to say that had our views prevailed then the Duff report would be somewhat less unpleasant reading to our people to-day and Parliament would not be called upon to find a remedy for the present desperate situation. In view of these circumstances I feel that the St. Lawrence Waterway project should receive very careful consideration. I would recall to honourable members the report of the Tanner Committee on this subject, particularly the evidence given by Col. Dubuc, Chief Engineer of the Department of Railways and Canals. It seems to me to point to the great advantages of the deep waterway and the necessity of some enlargement year by year of our waterways system. Mr. Dubuc had been speaking about the tonnage the canals will carry and the number of lockages that can be made day by day, and the question was put to him:

Are those figures illuminating? Do they help the present and future problem?

Col. Dubuc: They help in this way. If it has been proven to your satisfaction, from official records, what the present capacity of the main canal system is at the weak points, and you assume future increases from what has actually happened in the past, you may reasonably deduct when the ultimate capacity of those canals will probably be reached.

Hon. Mr. CASGRAIN: It was never reached.

Hon. Mr. McLENNAN: No, but we are getting nearer and nearer to that point. I am quoting an expert; I am not giving my own opinion.

You must equally not lose sight of the fact that the deep waterway will not be utilizable until eight to ten years after its construction is started.

With the last six or seven years as a guide, it seems clear that even if you started the construction of the deep waterway to-day, long

before you could complete it you would have congestion in the canals, and the present system would not be able to cope with the traffic that should offer.

Then, in answer to the question, "And we shall lose traffic?" Colonel Dubuc said:

Either it will be diverted to American ports, or else it may find its way down to the lower end of Lake Ontario and then move by rail to Montreal at whatever extra cost this may be. It may equally be diverted by rail to Pacific ports or by boat to Georgian Bay ports and rail to the seaboard, or by the new Hudson Bay route now under construction to Fort Churchill.

There is other evidence of the same kind.

Q. You have to have more canals to keep on with anything like that increase in business?

Col. Dubuc: Exactly. You would later have to rebuild your whole system.

Then, later, I find the following:

Q. The cost of the deep waterway has to be increased by the cost of these necessary improvements?

Col. Dubuc: If you want to have your canal system able to handle the traffic which is liable to present itself in the next ensuing years.

Q. Your present capacity would be quite exhausted by—what did they tell us?—I think 1934?

Col. Dubuc: The traffic will depend on many things.

I hope the traffic will not be absolutely congested by 1934 and that we shall still be carrying on in a fairly satisfactory way, as we have done in the past. But my point is that the possible exhaustion of our facilities for transport is one of the things that should determine us to weigh fully the advantages of a still greater development for carrying the trade of Canada so that the business and the wealth and the reputation of Canada may go on increasing.

One frequently hears the statement that the building of the St. Lawrence Waterway to enable ocean vessels to reach the lakes is going to hurt the port of Montreal. I have looked over the history of a considerable number of the ports of the world and I have not been able to find a single instance in which a port with an established business has not almost immediately experienced a great increase in traffic when it has been bold in increasing its facilities. I have made some notes to which it will not take me long to refer.

For example, up to the year 1863 Antwerp was under the disadvantage of having to pay toll on the Scheldt to Holland. In that year, when Antwerp was opened to the business of the outer world by the purchase of the Dutch right to levy toll, its business amounted to half a million tons. In 1913 it had increased to

fourteen million tons. Then came the unhappy interruption of the War. Step by step port facilities were increased, but the increase has been justified, and in 1926 the business of Antwerp amounted to twenty-two million tons. Antwerp has now started to carry out one of the largest schemes of port development that have ever been undertaken, namely, to provide dockage facilities of no less than 1,300 acres. Liverpool and similar ports have something like 300 or 400 acres.

We know something about Liverpool and Manchester. With respect to traffic going by an already established port, the situation of Liverpool is the nearest parallel I know to that of Montreal. Manchester, as you know, is the centre of the most thickly populated industrial area in the world. In the early eighties it was in a grievous state. In 1881 there were eighteen thousand empty houses in Manchester, trade was leaving it and mills were moving to Liverpool, Glasgow, and other places where cotton and other commodities moving inward or outward would not have to be towed such a great distance. A Manchester man of no great importance at this time, a Mr. Adamson, thought the situation intolerable. He got some people to join with him, and together they developed the idea of the Manchester Ship Canal. It took them three years to get their Bill passed by Parliament. Liverpool objected, and the railways objected, but finally the Bill was passed in 1885. The working people of Manchester were heart and soul behind the project, and one history of the development tells us that of the first £100,000 raised to carry on the work £60,000 were in subscriptions of £10 each. The work was begun in 1887, and the canal was opened in 1894. During the first year the canal carried 900,000 tons and earned £97,000. The first dividend was paid in 1915. In 1927 six million tons entered the port of Manchester, and the port authorities earned £1,567,000. One would have thought that such a volume of business going direct to Manchester would have injured Liverpool, but the railways lowered their rates and the port of Liverpool continued to grow and to increase its facilities. One of the ironies of fate is that Liverpool is the chief market of the world for cotton, the great standby of Manchester. I am sure that what Liverpool or any other place has done Montreal can do, and will do if occasion arises.

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

IMPERIAL ECONOMIC CONFERENCE AGREEMENTS

On the motion to adjourn:

Right Hon. Mr. MEIGHEN: I may say that we hope to finish the debate on the Address to-morrow.

Hon. Mr. HUGHES: In reference to what the right honourable leader of the Government has just said, I should like to ask him a question. Will the trade agreement come before this House next week for consideration? The idea that I have is this. Many of the members, myself among the number, do not feel that they are capable of discussing the trade agreement without having had an opportunity to read it over and a few days for consideration. The debate on the Address affords a unique opportunity of discussing the agreement and every other subject mentioned in the Speech from the Throne. When the trade agreement has passed the other House and is brought here, everybody will be eager to go home, for Parliament will have nearly finished the work for which the session was called, and the agreement will not in my judgment receive from this House the consideration it ought to receive. Could we postpone discussion of the Address until next week, so that some of the members might have an opportunity to discuss the trade question then?

The leader of the Liberal Party in the other House and several other members felt that the trade agreement was so important that further time should be allowed for the consideration of it, so that it might be discussed intelligently. This view was presented to the Prime Minister, and he thought it reasonable and postponed the discussion on the trade agreement until next week.

Right Hon. Mr. MEIGHEN: As I understand it, the contention of the honourable gentleman is that we in this House shall not have a reasonable opportunity to discuss these trade agreements, because after they pass the other House they will have completed their fall business and will want to adjourn.

Hon. Mr. HUGHES: Yes.

Right Hon. Mr. MEIGHEN: Adjournment is as much the prerogative of the Senate as of the House of Commons. I would also call the attention of the honourable gentleman to the fact that it is not a trade agreement, but trade agreements.

Hon. Mr. HUGHES: What is that?

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Right Hon. Mr. MEIGHEN: They are in the plural, not singular, and I feel certain that they will pass one at a time, and will come to us in that way. I speak subject to correction by anyone who knows the particulars better than I do. The honourable member asks when the agreements will be likely to come. I can only estimate how long the opposition will take in the House of Commons. I have no such means of intimate approach to the leader or the other members of the Opposition as the honourable senator himself has, for he is within that intimate, affectionate circle where he can get all the information he wants at any time.

Hon. Mr. HUGHES: I have no such prerogative.

Right Hon. Mr. MEIGHEN: There is no reason why we should not continue the debate on the Address as long as anyone desires. I certainly have made no effort to curtail it. We shall meet to-morrow, and I am sure we shall listen with great pleasure to the speech of the honourable gentleman from King's (Hon. Mr. Hughes). If we do not finish the debate to-morrow night, we shall adjourn it.

Hon. Mr. HUGHES: I wished to bring that feature to the attention of the right honourable leader of the House before to-morrow. It is worthy of consideration. I know there are some members who wish to speak, but who are not prepared to speak this week.

Hon. Mr. CASGRAIN: If this debate could continue until next week, I should have considerable to say in answer to the statements of the right honourable leader of the Government; but it takes me some time to prepare. I want to examine the whole of the Duff report, and although I read as much of it as I could last night, I got through only about one-third. I should like to deal as justly with this report as I did with the Drayton-Acworth report. But, of course, if the debate is to be finished to-morrow I shall not be able to do that.

Right Hon. Mr. MEIGHEN: I have given assurance that I am not urging the closing of the debate to-morrow. If honourable senators want to continue the debate, I have no objection.

Hon. Mr. CASGRAIN: If it is not possible to refer to the matter in this debate, there will be another occasion, I suppose.

Right Hon. Mr. MEIGHEN: Certainly. I know that the honourable senator is competent to make an attack at once upon any-

thing that is at all vulnerable, and I thank him for the implied compliment when he says that he will require some days to prepare himself to find fault with what I have said this afternoon.

Hon. Mr. CASGRAIN: Weeks, perhaps.

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

THE SENATE

Friday, October 14, 1932.

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

Prayers and routine proceedings.

ADJOURNMENT OF THE SENATE

Right Hon. ARTHUR MEIGHEN: Honourable members, with leave of the House I move, seconded by the honourable senator from De Lorimier (Hon. Mr. Dandurand), that when the House adjourns to-day it stand adjourned until Thursday next, October 20, at 8 o'clock. It does not seem by any means certain that there will not be business of an important character before us by that time; therefore I do not feel like taking the responsibility of moving a longer adjournment.

Hon. Mr. DANDURAND: The right honourable gentleman has mentioned my name as seconder. It is an act of courtesy, although it is as well an act of policy on his part to do so. However I do not object.

Hon. Mr. LEMIEUX: I do not object to the adjournment, if it is necessary, but I should like the right honourable gentleman to tell us whether nothing can come over to us from the other House before Thursday next. Is the Address to be debated over there until then?

Right Hon. Mr. MEIGHEN: I do not anticipate it will be, though I am exceedingly timorous about saying what may be done in the other House. But that is the best estimate one can give of when there may be business for this House.

Hon. Mr. LEMIEUX: I do not object, but there are the public to be remembered.

The motion was agreed to.

GYPSUM QUEEN INVESTIGATION

Before the Orders of the Day:

Right Hon. ARTHUR MEIGHEN: Honourable members, it is within the knowledge of us all that since we met last a commission

appointed by royal authority has concluded its investigations into certain transactions in connection with the sinking of a vessel known as the Gypsum Queen, and that these investigations disclosed the fact that very substantial sums of money were taken from the treasury. According to the report, they were wrongfully taken. In the report of Mr. Chief Justice Harvey, of Alberta, who was the Royal Commissioner, an honourable member of this House, the senator for Cumberland (Hon. Mr. Logan), is seriously reflected upon in connection with the receipt of those moneys. The Government, having received the report, had to decide what should be its own course in the premises. It becomes my duty to reveal to the Senate the decision of the Government and also to state what course, if any, I think this House should pursue. I have had conversations with the honourable member, at his request, and indeed but for an intimation from him that he intended to make a statement on the subject at the opening I would have stated the position of the Government then. He has postponed making a statement, and I feel, and have advised him accordingly, that a pronouncement should not be delayed past to-day.

On the receipt of the report it was referred to the Department of Justice for an opinion as to what would be the appropriate course, regard being had to the law which surrounds the whole matter; and following the report of that department it has been decided that action should be taken for the recovery of the moneys so paid out of the treasury of Canada, from the parties who received them, including the honourable senator from Cumberland. These proceedings for the recovery of the moneys are now under way.

Under the immediate circumstances, I do not think it is necessary for the Senate to take any action in the premises.

THE GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY

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

Hon. E. MICHENER: Honourable members, before addressing myself to the subject-matter of the Speech from the Throne I wish to make reference to Their Excellencies' recent visit to Western Canada. For us who live so far from the capital of the Dominion it is a great event to have such an official visit to that part of our country. We have there a large number of settlers from foreign coun-

tries, and to them a viceregal visit is of educational value, for it brings home to them the relationship of Canada to the other overseas Dominions, all loyal to the Sovereign represented by His Excellency the Governor General. By their gracious and lively interest in all Western matters, Their Excellencies endeared themselves to the hearts of all whom they met. We regret very much that their visit was cut short by the meeting of Parliament, but we shall look forward with great pleasure to another visit.

It would be superfluous for me to offer any further felicitations to the mover and the seconder of the Address. I heartily endorse all that has been said in that regard. Perhaps never again in the history of the Senate will a gentleman who has occupied a seat in this Chamber for so long a time move such an Address. With regard to the seconder, he dealt with his subject in such a sane and businesslike way that I hope he will not feel that thereby he has done his duty to the Senate for some years to come—an impression such as evidently some of us entertain with respect to our own duty. For some years, as leader of the Opposition in the Alberta Legislature, I had of necessity to speak quite frequently—a fault, I think, of opposition leaders; so when I entered this Chamber I felt inclined to sit back and listen to my elders. There are many members on both sides of the House who by their experience and training are well able to discuss any public question that comes before us, and I regret that we hear so seldom from some of those gentlemen. Each one of us has a responsibility to discuss national issues, and therefore I shall make a few observations with regard to some of the subject-matters referred to in the Address.

The question of the Imperial Conference has been ably discussed by both leaders of this Chamber. I have no doubt that the agreements arrived at will widen our markets, especially for the products of the farm, and if as a result our farmers become prosperous every other section of the community will feel the effects of their prosperity. I hope the beneficial results which are expected to flow from the Conference agreements will be felt throughout the Empire. Just how and to what extent other countries will be affected remains to be seen, but the advantages accruing from this new and important departure will presumably help to bring about worldwide economic improvement.

The report of the Transportation Commission deals with a question of vital importance to this country. The St. Lawrence Water-

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way Treaty is another momentous question. But, however far-reaching may be their effect upon the future prosperity of Canada, I do not believe there is at the present time any question so urgent and of such grave national concern as that of unemployment. Those honourable members who have not occasion frequently to travel throughout the Dominion, as have some of us who live farther afield from Ottawa, may not have seen the appalling distress caused by unemployment. Thousands of Canadian fathers are without work and without food for their families, and thousands of young men have travelled from Halifax to Vancouver in search of work, but to no avail. It is distressing to see the hopelessness and the discouragement pictured in the countenances of many of these men whom we meet in Western Canada. At my home we have frequent calls from these unemployed transients asking for food and clothing. Just before the order went into effect forbidding men to ride on freight trains, a great many who were in Western Canada at the time hastened to Vancouver to pass the winter in a milder climate. Daily we read of attempted hold-ups in that city. This influx of the unemployed into British Columbia is no longer merely a municipal nor even a provincial affair; it has become a serious matter affecting the livelihood and the happiness of many hundreds of thousands of people from the Atlantic to the Pacific.

As I have said, the problem of unemployment is the most urgent one confronting Canada to-day. There are two major difficulties which stand in the way of recovery: one is lack of work; the other, lack of money or credit. The latter difficulty has dislocated the price relation as between commodities and money. Many volumes have been written by eminent economists upon the cause and cure of the maladjustment between prices of basic commodities and gold. Sir Arthur Salter, in a book called "Recovery," has suggested a lower ratio between currency and gold. This, of course, as he points out, would necessarily have to be agreed upon by all the leading nations of the world in an international conference. When the gold of the world was largely cornered by the United States and France there was not enough; in other words, for many of the other nations the maintenance of the gold standard became too costly. If as a result of a world economic conference a lower ratio could be established in order to readjust the relation of price of goods to gold, it might provide freer money for the transaction of the world's business.

Sir W. H. Beveridge, in "The World Economic Crisis and the Way of Escape," a book containing lectures by six of the leading economists of Great Britain, including Sir Josiah Stamp, says that what we have in this crisis is a fall of prices representing a deflation of money. Deflation is the result of inflation, and the pendulum must swing back until it balances the inflation that took place during the stock boom days. Whether or not it is wise to stop deflation by artificial means is a question upon which economists differ.

The Progressive group in the other House suggest managed currency as a solution. But in order that the exchange of any one country should not be affected, the plan would necessarily have to be world-wide in its application. In times of depression currency would be increased in order to maintain the normal relationship between goods and money, and in times of inflation would be decreased to regulate prices. For example, if a farmer borrowed \$1,000 three years ago, he would to-day owe relatively several times that amount by reason of the maladjustment between the values of farm products and gold. This remedy, however, would be difficult of application, and probably would prove dangerous.

While the question of money and credit is one which must be solved largely by an economic conference of the principal countries of the world, Canada could in a legitimate way, though perhaps at the risk of increasing the rate of exchange, put more money into circulation. The Dominion produces approximately fifty-five million dollars' worth of gold a year. This is added wealth. Instead of paying for this gold in the regular way or by capital borrowed through the banks, why, for example, would it not be proper for the Dominion Government to issue Dominion notes to the amount of the gold production? Such action would put into circulation fifty-five million a year of currency and at the same time help pay off the national debt, which must be paid in gold.

The shortage of money and credit has a serious effect upon employment. But no other country in the world is so favourably situated as Canada in the matter of providing employment for her unemployed. It is nothing short of tragedy that in this land of opportunity and abundant harvests we should have so many thousands in distress. In my opinion there is a way to create productive employment, namely, by the co-operation of the provinces and the Dominion in working out occupational readjustment through the promotion of productive enterprises and the development of our natural resources along lines of national necessity.

At the special session of 1930, called to deal with unemployment, the sum of \$20,000,000 was voted to provide work by means of a program of public improvements and to furnish direct relief. During the summer of 1930 the average number of unemployed was 177,000. The Premier, in speaking to the question, said, "We will provide work, not charity." This work, as well as the relief, was carried out under the supervision of the municipalities and the provinces, the Dominion paying a percentage of the amount required.

Up to 1931 work or relief had been given to 331,953 persons. In addition, Dominion funds helped to provide relief for 127,767 families. During the year 1931 the Dominion Government furnished \$33,067,693 for relief work, and the total expenditure for this purpose, including the amount contributed by the municipalities and provinces, was \$76,950,605.

In the spring of this year, at a conference of the provincial premiers with the Dominion Government, it was decided, in view of the increasing number of unemployed, that relief by way of employment on public improvements was too costly to continue, and that it would be more economical to give direct relief to the majority of those who were out of work. The Minister of Labour stated that the decision of the Government was not to carry on work as before, but to direct the main efforts of all concerned towards direct relief.

The average number of unemployed for 1930 was 295,000; for 1931, it was 497,000. This year the monthly average of unemployed up to June 30 has mounted to approximately 700,000. These figures are taken from statistics compiled by H. M. Cassidy, and are based, I believe, on the index numbers of the Dominion Bureau of Statistics.

A vast sum of money will be required, especially during the coming winter, for this large army of unemployed. The municipalities and provinces have in some cases exhausted their funds; so the weight of the burden on the Dominion Government must become greater and greater.

If the number of unemployed continues to mount in the same ratio as in the past three years, how long will it be before the Dominion Government is unable to cope with the problem of furnishing relief to this vast and ever-increasing army? It is evident that some other solution must be found.

I am disappointed that the Speech from the Throne does not hold out any hope of a constructive programme to provide work.

Apart from the problem of meeting the increasing demand for direct relief, there is the problem of preventing a lowering of the morale of the unemployed who congregate in vast numbers in our large centres and become more or less a menace to law and order. If the unemployment were to continue for only a year or two, doubtless direct relief would be the most economical way to tide over the period of distress. But what is the prospect? Take for example the building trades: it is generally believed that for several years no aggressive building programme will be undertaken. The different trades which in the past have found profitable employment in various building lines, together with architects and clerical staffs, are practically without any hope of work for some years to come. This is true also of workers in many mechanical lines, as well as of those engaged in clerical and professional occupations. What is essentially needed to remedy the situation is what is called "occupational readjustment," that is, some provision whereby these unemployed could be fitted into other lines of work.

The Government has found it too expensive to employ such men in public works of an unproductive nature, but through the co-operation of the provinces and the Dominion productive employment could be initiated in the development of our natural resources and our unoccupied arable lands. In Canada we are fortunate in having large areas of arable land unoccupied, and great natural resources as yet undeveloped. In the face of the national necessity for our basic natural resources, such as gold, oil and minerals, and in view of the fact that we are importing \$85,000,000 worth of oil and oil products, and, further, in view of the fact that the increased production of gold would place Canada in a good position to pay off her national obligations, which must be paid in gold, is there any reason why the unemployed should not be organized for the development of our unoccupied lands and our natural resources?

In the Western Provinces at least there is room for state or industrial farms. Instead of the rank and file of the unemployed being allowed to congregate in the large centres, they could be placed on state farms where they would be able to contribute to their own support, as well as to acquire a knowledge of agriculture which later would enable them to take up homesteads and take their places as good citizens of the country. State farms could be established where different industries and different branches of agriculture would be carried on under expert guidance. These men, most of whom are young

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men, could be classified and placed in the line of work best suited to their capabilities. In addition to the young men who are now travelling about in Canada, there is growing up in all our large centres an army of young men who cannot be provided with work through the ordinary channels. The state farms would be in the nature of training schools and could be used as clearing houses, and after a year or two on the state farms these men would be trained and qualified to take up homesteads or to become assimilated in some other useful occupation.

Not all the unemployed, however, could fit into state farms. We have a good many practical mining engineers in Canada. These men would be glad to help develop the gold and other mineral wealth of Canada, and would doubtless be willing to work for a living during the time of depression. Why should not the Government organize different mining groups under competent engineers to increase the gold production of Canada, both in regard to gold mining and placer mining? Gold areas are sufficiently proven in Northern Quebec, Ontario and British Columbia to make it possible, under competent leadership, to open up a number of mines.

I happen to know of one gold property in British Columbia consisting of thirty claims. The people who own it have no capital, but are trying to operate one claim, and they have proved that that claim contains gold of an average value of \$42 a ton. That is but one indication of what might be produced if capital were used to open up the mines and increase the gold output of Canada. Many similar properties could perhaps be found in Northern Ontario and Northern Quebec. Then in British Columbia there is the opportunity of placer mining, in which thousands of men could be employed under competent engineers, and the earnings would be sufficient to afford them a good average wage in addition to defraying the overhead expenses incurred under government management.

Again, in the quest for oil in Canada we have spent hundreds of thousands of dollars for geological work. We have in our geological files a great deal of information. It is generally believed, so far as I have been able to learn from conversations with a number of geologists, that at least the four Western Provinces have in large areas geological conditions suitable for the confinement of oil; such conditions as have been found in the United States between the international border and the Gulf of Mexico. Considerable private capital has been spent in the endeavour to locate crude oil fields in Western Canada,

but there is not available to private capital as much information as the Dominion Government has. Why should not the Government do some prospecting for oil and organize under competent geological men, say, two or three crews for each of the Western Provinces? According to the law of averages they should at least discover two or three major oil fields, which in time would employ thousands of men and supply Canada with her national needs in oil. If the \$85,000,000 sent out for oil products to-day could be spent in Canada in developing our own oil production, this in itself would take up a great number of the unemployed.

I read recently a book called "Oil Imperialism," by Louis Fisher. He shows the important part that oil has played in the affairs of nations throughout the world, from the days before the Great War until the present time. For many years the great statesmen of all countries have been aware of the importance of oil, and they have realized that the nations that properly look after their oil resources are the nations that will have a place in the sun. From every standpoint it seems that the Government should endeavour to organize the development of the oil industry in this country.

I would not recommend the Government to undertake work in any industry in which there is now overproduction, such as the coal industry. However, I do think that the rates for transportation from Western Canada and from the Maritimes could be made sufficiently low to enable Canadian coal to supply a much larger part of central Canada's needs. The late ex-Minister of Railways, Honourable Mr. Reid, made a statement in the Senate some years ago that as a result of inquiry into the cost of carrying coal from Alberta to Ontario he was satisfied it need not exceed \$5 per ton. If that rate were put into effect it would enable Western Canada to compete in the Eastern coal market for the supplying of at least 500,000 tons. On account of the soft nature of Alberta coal it has been difficult to develop a wider market in Ontario, but there are areas which could provide semi-anthracite coal of a fixed carbon content of over 80 per cent, which would compare in every way with the Pennsylvania coal now used in Ontario, and these areas might be developed if encouraged by the freight rate I have mentioned.

The Trade Commissioner of Alberta has supplied me with the following data, which I am sure will be interesting to the honourable members of this House. He says:

The position in regard to the matter, as I understand it, is briefly this. Test shipments of coal have been run for three or four years, and, while not reaching a very large volume, have been sufficient to demonstrate that a market is available in Ontario, providing the coal can be sold at a price competitive with fuels which are now enjoying the market. Dealers of course will not, nor could they be expected to, bend their efforts in a sale of Alberta coal unless by so doing they can enjoy the same measure of profit they now enjoy in the sale of American and other fuels.

The recent hearing by the Railway Board was for the purpose of determining if possible to what extent the railways were out-of-pocket in the movement on coal, without regard to overhead and those other expenses which are constant, whether the movement takes place or not. The Board, I understand, have not yet made their reports to the Government, and when they do I think it is the official opinion that it will be necessary to enact special legislation to make a rate of \$5, which is all the traffic will bear.

This memorandum is prepared with a view to showing the amount of additional employment to labour that would result from the movement of 500,000 tons of coal from Alberta to Ontario in a twelve-month period.

It should be realized that the total amount of coal imported into Ontario from foreign countries, for domestic use only, is two and a half million tons. It would be a comparatively easy matter to secure for Alberta five hundred thousand tons of this, providing a freight rate were secured of \$5 per ton.

With 500,000 tons of Alberta coal being moved to Ontario it would provide employment to railway men alone as follows:

Each moving train load of coal will give work to a crew of five, out of each of the 16 divisional points between Alberta and Ontario. In other words, it will provide 80 days' work.

Allowing for each train to be made up of sixty cars, each car holding 36 tons of coal, we find that each train will transport 2,160 tons. On this basis, in order to transport 500,000 tons, 250 trains would be required. As 80 days' work is provided by one train, 250 trains would provide 20,000 days' work.

The yard movement on these 250 trains would provide 8,000 additional days' work.

The car and locomotive repair work on the 250 trains would provide 3,000 additional days' work.

The fuel used by the locomotives on these 250 trips would amount to 190 tons per trip, a total of 47,500 tons. Alberta coal would be used for 50 per cent of this haul, which would mean an additional amount of Alberta coal used, of 23,750 tons. As each three tons of coal used provides work for one day for one man, we have a further 7,916 days' work.

These cars that come down with coal from Alberta have to be hauled westward again. The railway companies' statistics show that the expense of the return haul is 80 per cent of the cost of hauling the fully loaded train eastward. If, therefore, employment of 38,900 days was provided in the hauling of 500,000 tons of coal eastward to Ontario, employment to the amount of 31,120 days would be provided on the westward haul. The transportation of the 500,000 tons eastward and the return of the empty cars westward would, therefore, provide 70,020 days' work.

With regard, therefore, to providing work by reason of the actual hauling of the coal, we find the following:

	Days' work
Railway trainmen..	20,000
Railway yardmen..	8,000
Railway car and locomotive repairs.	3,000
To supply fuel for locomotives.. . .	7,900
	38,900
Return haul..	31,120
	70,020

On the actual mining, preparation and loading of the coal at the mine, we can quote the Dominion Bureau of Statistics. Their figures show that every three tons of coal give a day's employment. It is quite apparent, therefore, that in the mining of 500,000 tons of Alberta coal, with one day's work for each three tons, a total of 166,666 days' work would be provided.

We then have the following:

	Days' work
Railway work days..	70,020
Production..	166,666
	236,686

That is, by giving Western Canada a \$5 rate on coal it is estimated 236,686 days' work would be required.

If we are to recover our prosperity in Canada we must use in every possible way, and to the greatest possible extent, the resources that are or can be developed in our own country. As long as hundreds of millions of dollars go out of Canada for coal and oil and such other natural resources as we have in unlimited quantities, we cannot expect to have the prosperity that we could otherwise command. If Western coal and Eastern coal were used by central Canada, both East and West would have the purchasing power to buy manufactured goods from central Canada. If \$200,000,000 were distributed in Canada as a result of the production and utilization of our own coal, oils and other products, our wheels of industry would be speeded up.

There are those who believe that the return to prosperity is in sight, but until the economic question is solved and the unemployed are put to productive labour we cannot hope for permanent recovery. We have on the one hand natural resources which are, in proportion to population, such as no other country in the world possesses; on the other hand, we have nearly one-tenth of our population unemployed. It is for the Government of the country to initiate, by constructive and productive employment, the development of these resources. If the policy of direct relief continues it will become a greater and greater burden to the country and will make for a degenerate citizenship, which is doubtless the most vicious result of such a policy. But by

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a constructive policy of remunerative production, by the State, of our national necessities, and by the opening up and development of our vacant lands, our oil and our minerals, not only should we make it possible for the unemployed to help keep themselves by earning their own way, but we should also promote the creation and development of new wealth for the nation. In the course of, say, five years, I have no doubt, the returns from the increased production of gold and oil would in themselves repay the total expenditures incident to the initiation of such national enterprises; whereas unless something constructive and creative is done by the Government to provide work, in addition to charity, for the large army of unemployed, we shall have discontent, unrest and trouble.

It may be said that my suggestions involve to a certain extent the principle of state socialism. I reply that it is better to have state socialism—if you call it such—for the employment of our unemployed, than to create a condition that might encourage some radical group to try either by the ballot or by force to establish a more radical state socialism than most of us would care to contemplate.

If in 1930, when we had fewer than 200,000 unemployed, the Government felt there was such a grave national situation that a special session of Parliament should be called to deal with it, surely to-day the fact that we have two to three times that number of unemployed facing a third winter of desolation, poverty and want is a matter of greater national concern.

The leader of the Opposition in another place suggests a conference of all governments, philanthropic societies, churches, etc., to consider what should be done about unemployment, and he thinks there should be a business administration under a department of the Government to carry out relief work. In his opinion our honourable colleague the ex-Minister of Labour (Hon. Mr. Robertson) tried to do what was physically and humanly impossible when last he was in office.

This unemployment problem is so urgent that all parties of this Parliament should get together to seek a solution before we prorogue. The Minister of Labour is credited with saying that no man, woman or child must go without food and clothes in this country, which has had such a bountiful harvest. This statement will be welcomed throughout Canada by those in distress, but far more welcome would be some plan that would give employment—for it is work, not charity, that most of the destitute need. If we proceed year after year with direct relief, we shall have an army of

young men coming up in our big centres of population who will, like many in the Old Country, have no occupation and no desire to work.

As has been stated before, the unemployment problem will be with us even after we have a moderate return of prosperity. The "iron man" has, through the application of scientific invention to industry, and even to agriculture, displaced so many men that it will be impossible to find work for everybody for years to come. Our vacant lands and our great natural resources must supply the opportunity for those who cannot be employed otherwise. Unless the Government takes the responsibility of creating state enterprises, it will encourage a degeneration of our citizens, who, after all, are our greatest assets. Canada has ample lands and resources. The opportunity is here for the Government to lead the way by constructively organizing different national enterprises to enable the unemployed to make themselves useful citizens, and at the same time to bring rewards to the state in increased production of gold, oil, foodstuffs, and, best of all, in restored manhood. In short, the Government has the opportunity of leading the nations of the world into economic recovery.

Hon. JOHN LEWIS: Honourable senators, I desire to join in the congratulations to the mover and the seconder of the Address in reply to the Speech from the Throne, and if I do not add anything to what has been said in this connection it is because I want to borrow language far more felicitous than my own.

I agree with the honourable gentleman who has just taken his seat that the question of unemployment is by far the most important one that is now before the country, and I think we ought to acknowledge our indebtedness to him for the suggestions he has made, whether all of them may be workable or not.

I had intended to defer any remarks I had to make on the Imperial Conference agreements until they were before us, but as it is possible we may not have them here until near the close of the session, I have decided it is better to speak now. I am all the more willing to do so because I do not intend to discuss the details or to make any predictions as to the possible benefits to accrue from those agreements. I apologize for falling into my bad habit of reading, but on the whole I think the House will get some relief in this way, because it tends to brevity.

Whatever may be said at this time in praise or criticism, however we may analyse the ingredients of the pudding, the proof of the pudding will be in the eating. I am an optimist about the matter, and I hope that things will be no worse as a result of the Conference. But the agreements must be tested by the results. A year or two hence we shall be in a better position to judge whether the glowing hopes of the present will be fulfilled, or whether the outcome will be similar to that of the promises made by the Prime Minister and his colleagues in the summer of 1930.

I observe that the Montreal Gazette takes a sober if not sombre view of the grain preferences. It says:

The grain preferences remain the outstanding gains so far as this country is concerned. Western producers have expressed a curious indifference toward this advantage, failing to realize, apparently, that what may be of slight benefit to them under existing conditions may very well be importantly advantageous in a different set of circumstances in a few years from now.

That is putting the time a little further forward than I should prefer.

I confine myself to the general principles which should govern our relations with the rest of the British Empire. Generally speaking, I am in favour of those provisions of the agreement which enlarge trade, and against those which restrict trade. In that respect I concur with what was said by Mr. Baldwin at the opening of the Conference:

Reverting now to Empire trade, we hope that as a result of this Conference we may be able, not only to maintain existing preferences, but in addition to find ways of increasing them. There are two ways in which increased preference can be given—either by lowering barriers among ourselves or by raising them against others. The choice between these two must be governed largely by local considerations, but subject to that, it seems to us that we should endeavour to follow the first rather than the second course. For however great our resources, we cannot isolate ourselves from the world. No nation or group of nations, however wealthy and populous, can maintain prosperity in a world where depression and impoverishment reign. Let us therefore aim at the lowering rather than the raising of barriers, even if we cannot fully achieve our purpose now, and let us remember that any action we take here is bound to have its reactions elsewhere.

This is the principle underlying the Liberal policy of Imperial preferential trade. The first step in that movement was the Fielding budget of 1897. The measure was one wholly of reduction of duties. Mr. Fielding expressly repudiated the idea of demanding that Great Britain should tax wheat or other

foodstuffs as a condition of our lowering our duties on British imports. And this was not only because of good-will towards Great Britain, but because he did not consider that we were making any sacrifice or concession for which we should be compensated. His position was that Canada as well as Great Britain would be benefited by the reductions. He regarded trade not as a subject of war or conflict, but a benefit to both parties. And the results showed that he was right. Because, in the decade 1901-1911—when the preference under the Fielding Tariff was in force—the product of the manufacturing industries of Canada increased from 481 millions to 1,165 millions, more than twice as great an increase as in the whole period from Confederation to 1901.

The same happened during the King administration when the British preference was enlarged, and also reductions were made in the general tariff. The product of our manufacturing industries rose in annual value from \$2,500,000,000 to \$4,000,000,000, between 1921 and 1929. There was a fall in value in 1930, due of course to the world-wide depression, but even in that year it was nearly a billion more than in 1921.

The same principle was observed in all the trade agreements made by Liberal governments. They provided always for reductions of duty, never for higher duties on the imports from countries not included in the agreement. The same is true, also, of the memorandum submitted by Sir Wilfrid Laurier to the British Government during the Conference of 1902. The Canadian ministers stated that if they could be assured that the Imperial Government would accept the principle of preferential trade generally, and particularly grant to the food products of Canada in the United Kingdom exemption from duties now levied, or hereafter imposed, they—the Canadian ministers—would be prepared to go further into the subject and endeavour to give to the British manufacturer some increased advantage over his foreign competitors in the markets of Canada. This memorandum has been quoted more than once as an evidence that Sir Wilfrid Laurier set the example of bargaining. But you will observe that Sir Wilfrid made no demand upon the British Government to impose duties on food. He asked for a reduction, not for an increase. He asked simply that Canada should be exempted from any duties then or thereafter imposed. It will be remembered that a small duty of

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a shilling a quarter, equivalent at that time to about three cents a bushel, was imposed as a revenue duty, not by way of protection. Then, instead of accepting Sir Wilfrid Laurier's suggestion, the Imperial Government took the duty off altogether, and in a subsequent election the proposal of preferential duties was rejected by the British electors. After that, Sir Wilfrid apparently dismissed the matter from his mind. He did not withdraw the Canadian preferences. He took no part in Sir Joseph Chamberlain's campaign. He did not make taxation of food for the benefit of Canada an issue in Old Country politics, as it is to-day.

The letter from the Prime Minister of Canada to the President of the British Board of Trade, quoted by my leader yesterday, is of the same tenor. It asks for a remission of duties, not for an increase. I quote:

It—

—the Canadian preference on British imports—
—has never hitherto, in the case of the United Kingdom, been made conditional on the grant of an equal preference in return. We have at all times recognized the importance of conceding to each government concerned the right to legislate as its own interests might demand, on tariff matters, or, in other words, complete control over its own fiscal policy. Should the British peoples decide at any time that it will be in their own interests as well as what they conceive to be the interests of the Empire to make far-reaching changes in their present fiscal policy, Canada will naturally expect that in the establishment of a tariff, full and adequate consideration would be given, through preferential duties, to the interests of Canada's producers and to the substantial preference which Canada accords to British goods.

There is no demand there for taxation of British food for our benefit.

There have been, outside of this Chamber, expressions of opinion that because of the extension of self-government at the Conference of 1926 the Empire was in danger of disintegration, and that the old bonds being gone, the Conference of 1932 was necessary to forge new bonds of an economic kind. From that view I entirely dissent. The declaration of equality of status made in 1926 was the completion of a process of growth in self-government, which, so far from threatening the Empire with disintegration, was and is the true basis of Imperial unity. Free institutions, as was said in the paper containing the declaration of equality of status, are the life blood of the British Empire; free co-operation is its instrument. If there was any tendency to separation—which I deny—the process would surely not be checked by the British Commonwealth meet-

ing and bargaining like separate nations. And while I do not believe that even that will result in separation, I very much doubt that good relations will be improved by the bargaining process or by restricting the freedom of the British Parliament, or our own, to deal with tariffs. I shall be satisfied if they are no worse.

I view with a good deal of misgiving the intrusion of Canada into the party politics of Great Britain. I believe that we should refrain from interference in political struggles in Great Britain, as we expect her people to refrain from interference in ours.

The breaking up of the National Government, which was hailed as the salvation of Great Britain, seems to me to be a queer way of saving the Empire, and that breaking up, now in process, is the direct result of the Conference agreements or at least has been hastened by them. The National Government will, of course, be able to ratify these agreements, but it will lose its composite national character and become wholly Conservative, and with that it will lose its present overwhelming majority in the House of Commons. And remember that opposition will not come from free traders alone. The free importation of raw material is as much an article of protection as of free trade doctrine. The free importation of raw material from Russia—and raw material is what she chiefly seeks to export—and the export of British manufactures to Russia, which Russia is eager to obtain, are thoroughly in accord with protectionist principles. The trade would be highly profitable to Great Britain, and there is probably no more promising market in the world. It is surely in the interest of Great Britain, for instance, to obtain timber from Russia, or any other country, as cheap as possible, to be used for building and for the manufacture of furniture, and to export her manufactures to Russia. It will not conduce to good relations within the Empire to have Canada standing in the way of the development of these important British industries by pressing for an embargo on Russian timber. I, for one, object to the bargaining being carried so far as to bring pressure to bear on Great Britain to restrict her trade with foreign countries, and to have Canada projected into the party politics of the Old Country. I believe in the practice of voluntary, unconditional preferences, leaving each member of the British Empire absolutely free to control its own tariff.

I have referred to Mr. Baldwin's expression of a desire that the aims of the Conference should be sought by the lowering rather than the

increasing of tariffs. Without going into details, I have gained the impression that his wish has been disregarded and that the restrictions imposed by the agreements far exceed the extensions of trade. Furthermore, those have been disappointed who expected that the Imperial Conference would set an example to the world which would encourage the removal of those barriers against trade all over the world, which are generally recognized as among the chief causes of world-wide depression. The example set is exactly of the opposite kind: increased restrictions—encouragement for the raising everywhere of those obstacles to trade which stand in the way of a return to world-wide prosperity, by which Canada would greatly benefit.

Hon. RODOLPHE LEMIEUX: Honourable members, I do not intend to address the House at any length, but, having for a long time represented a constituency in the Commons, and having been the dean of that House for a certain number of years, I feel that even in the Senate I may speak for the people of Canada.

I have read the Speech from the Throne. It is a very interesting document, but I regret that no mention is made therein of the all-important question of unemployment, for the gravity of that question transcends that of all others. I have occasion to travel in the country districts and in the cities of the Dominion. I go to Toronto, to Montreal, and to Quebec, frequently I visit the rural districts of the Province of Quebec, and I can testify to the very serious situation in which the people find themselves at the present time. This morning I received a letter from an elderly gentleman in my old constituency of Gaspé, and this is the substance of what he tells me: People have no food; they have no raiment; they are breaking into their neighbours' barns in order to procure food for their children. Some are going willingly to the jail at Percé, in order to be fed by the Provincial Government.

I am not exaggerating. I think a similar picture can be drawn of other parts of Canada. The other evening, in Montreal, while going from the University Club to the Ritz-Carlton Hotel, I noticed a young man leaning against the wall of one of the palatial residences on Sherbrooke Street. Addressing me, he mumbled something, and I thought he was under the influence of liquor. I said to a gentleman near-by: "It is too bad that those who are obliged to seek assistance from passersby should be intoxicated." Then I noticed the young man fall down. I went over to him, but could not detect the smell

of liquor. He said to me: "Sir, I have not eaten since yesterday." Here, in Ottawa, from the Parliament Buildings to my residence, every day I meet young men and old asking for charity. I hope that some day the present depression will give place to some degree of prosperity, but these years of acute adversity will, I fear, create in the minds of hundreds, indeed of thousands, of people the idea that they can rely on the public for food and clothing, and with the progressive mechanization of industry I am wondering what will become of them.

Now, what is the Government doing to solve the problem of unemployment? I know the Government is composed of men who, in common with us, have the deepest sympathy for our poverty-stricken unemployed; but is the Government formulating any constructive measures to take care of these unfortunate people? The winter will soon be upon us; indeed, we feel the pinch of winter every morning. Yesterday I brought to the attention of the House the question of the price of coal. Many people who are still wage-earners have said to me: "It is impossible for us at its present price to use coal in our houses." Only this morning a gentleman told me that he was going to burn wood this winter. Well, it is not a bad substitute for coal;—I like to hear the crackle of a wood fire. But the price of coal to-day terrifies me. Not many years ago coal was sold at \$6, \$7, and at most \$8 a ton. To-day, by virtue of the agreement with Great Britain, we are assured of an ample supply of Welsh coal. I am told that that coal delivered on the wharf at Montreal does not cost more than \$8, or at most \$9 a ton; but here it is selling at \$17. Now, what becomes of the spread between Montreal and Ottawa prices? I ask my right honourable friend (Right Hon. Mr. Meighen)—whose wonderful ability is admitted by all—to endeavour to get the Labour Department to institute at once an investigation of this matter in order to dispel or confirm the suspicion that the public are the victims of a combine. I make no accusation that there is such a combine; I have no evidence to that effect; but this is being repeatedly said on the street and in the home. Remember that riots and indeed revolutions are brought about by suspicions.

As regards unemployment, I say it is the paramount issue of the day. Let us not lose sight of that fact. There convened in Ottawa this summer a great Conference, and at that Conference Canada did her part magnificently. The delegates were entertained royally—and deservedly so, because they were our guests.

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But let us not labour under the illusion that the agreements reached at that Conference constitute the paramount issue in Canada to-day. No. There is but one problem to which the Government is expected to find a solution, and that is the problem presented by unemployment and the prevailing acute adversity. My right honourable friend will say—I think he has it in his mind now—that the agreements were drafted with a view to bringing back prosperity to Canada. Well, I beg to differ with him on that. Like Cato of old, who kept repeating, "Delenda est Carthago," I keep repeating, "Delenda est adversitas." That is the first duty of the Government.

As regards tariff making for the future, let me say in all sincerity to my right honourable friend (Right Hon. Mr. Meighen) and to my colleagues of the Senate that I have been brought up in a school which believes that the name of Canada is writ large on the map of the world. The tariff of Canada, therefore, should be made by Canada and not by the various Dominions which constitute the British Empire.

When the Conference was summoned, I read in one of the British newspapers that a family gathering very often meant a family quarrel. At the conclusion of the Conference, Mr. Baldwin, whom everybody trusts because he is a great statesman, as much as said that there had been storms and tempests, but that happily calm had finally prevailed. Family gatherings mean family quarrels, especially when material interests are at stake. How can you expect Rhodesia, South Africa, Australia, New Zealand, Canada, and Great Britain, not to mention Ireland, to agree for ever, or even for a number of years, on a common tariff? How can those countries which are free and independent, situated as they are in various climes and having divergent interests at stake, be expected to agree for long on complicated tariff policies?

Preferences from England to her colonies are as old as the hills, but history teaches us a lesson that we ought not to forget. In the middle of the last century, say from 1825 until 1849, when Canada was a colony—a large and ancient colony—our fathers received preferences from Great Britain on grain, flour, timber and meat. It was during those days that the old city of Quebec became so famous for her trains of timber. Those who pass the city of Quebec by daylight can see the various coves to which the trains came from the Ottawa River and other parts of Canada through the St. Lawrence. Our logs were exported to Britain and to various other parts of the Empire, which benefited by the preference given us by Britain. If you

pass through old villages along the St. Lawrence, like L'Assomption, you can still see the large stores with iron shutters where grain and flour were kept awaiting the opening of navigation in the spring, when they were exported to England under the preference which existed. Our canals were opened during that period, and many Americans came and settled in Canada, especially in the Ottawa district, in order to take advantage of the preferences.

Then Canada experienced the danger that lies in such preferential policies. All of a sudden the leader of the party then in power in England, and favourable to those preferences, moved by the acute situation which existed in the rural parts and in the industrial towns of that country, decided to change from the policy of protection to the policy of free trade. He remembered that free trade for more than a century had replenished the treasury of Great Britain and made her the most prosperous nation of the world. Sir Robert Peel became a Liberal and a free trader. What happened in Canada? The people who had settled here, the business men, the farmers and the millers who, relying on the British preference, had invested their money in Canada, protested loudly. Let me refer my right honourable friend to the documents published by Shortt and Doughty some years ago. There he will read the annexation manifesto signed by the best names in Canada, names such as Sir John Abbott, Sir Antoine Dorion, and a host of others, declaring that because of the wiping out of the preferences Canada was ruined, investments were brought to naught, and that Canadians had decided to look to their neighbours to the south for a market. That meant annexation pure and simple.

Right Hon. Mr. MEIGHEN: What year was that?

Hon. Mr. LEMIEUX: That was in 1849. Lord Elgin, a good and sturdy Scotchman, was then the Governor of Canada. It was he who had rallied the forces of sensible Canadians and made possible responsible government. He wrote to his father-in-law, Lord Grey, who was then Prime Minister of England, requesting him to give his immediate attention to the problems that had suddenly arisen in Canada. I speak whereof I know. My father before me, and my grandfather, often told me of the agitation of 1837, of the annexation movement of 1849, and of the Confederation of 1867. There was at that time, as there is to-day, extreme distress in the larger centres. Lord Elgin in his letter to Lord Grey said: "If nothing is done you will lose Canada. The people are not happy,

because they are not prosperous. You must restore prosperity to Canada." And what did Lord Elgin recommend to the British Government? He recommended going to Washington and negotiating a treaty of reciprocity with our neighbours to the south. He spent six months in Washington—there is no question as to which flag he was labouring under—and he brought back what is known in history as the Elgin-Marcy Treaty. That treaty was in effect—only in regard to natural products, if I remember correctly—from 1854 until 1866. Again I know whereof I speak, because my father was a very humble merchant on the south side of the St. Lawrence, in the county of Napierville, and he often told me that that was the golden era for the farmers of Canada. They made small fortunes selling their cattle and other farm products to the Americans. The treaty would have been renewed in 1866 had not the attitude of the Canadian people been contrary to the Northerners during the Civil War.

Hon. Mr. DANDURAND: The attitude of some of the Canadian people.

Hon. Mr. LEMIEUX: Most of them.

Right Hon. Mr. MEIGHEN: To the Northerners?

Hon. Mr. LEMIEUX: Perhaps my honourable friend thinks the opposition came chiefly from Toronto. The best friend of the Northerners was George Brown of the Globe of Toronto, who in his own city stood up for the liberty-loving Northerners. I am sorry to say that even in Montreal, French Canadians of the highest repute stood by the St. Albans raiders and protected them before the courts. Those who have read the memoirs of Sir John A. Macdonald will remember a letter addressed to Sir George Cartier:

That fellow Coursol—

—he was the police magistrate in the extradition case—

—will cost the country half a million dollars, if not a little war with the United States, because of his judgment in favour of the raiders.

Now, if I remind my right honourable friend of this Reciprocity Treaty episode it is because I want him to make use of his ability on behalf of Canada. He has a remarkably clear mind and is wonderfully able. I do not say that just to compliment him. We all know that he is not here for ever; some day we shall lose him. He may enter another sphere of action, and possibly may lead the Government of Canada. We all wish him well, but he must rid his mind of any narrow ideas

about the United States. I do not say that he harbours such sentiments, but in 1891 and in 1911, I think, he joined in the hue and cry of those who said, "No truck nor trade with the Yankees." I may tell him this: The agreements that we shall pass may be of some value for the present time, but in my judgment they do not make for the peace of the world, because they are based on a very materialistic and narrow principle. We all know that the statesmen of the world to-day are praying for the lowering of tariff barriers in order to create new channels of trade and exchange between the war-stricken peoples of the world. We know that high tariffs pave the way to war, not to peace.

Some day a new administration will come into office at Washington. Nobody believes, I suppose, that Mr. Hoover will be the next President of the United States. I am far from having anything against Mr. Hoover; he is a good Quaker and therefore a peaceful man; but no President of the United States has ever passed through the crucible that Mr. Hoover has passed through and emerged triumphant at the polls. The State of Maine the other day gave a warning to the powers that be in Washington that the Democratic candidate, a gentleman who bears the great and noble name of an ancient family, will, as surely as I see His Honour the Speaker in the Chair, be the next President. Mr. Roosevelt is outspoken. The other day, in the State of Massachusetts, he delivered a speech the text of which I have upstairs—I am sorry I have not brought it here—in which he plainly said that one of the causes of the distress in the United States, where there are to-day eleven million unemployed, was their tariff, which, he said, was as high as Haman's gallows. He said that when the Democrats take office they will change that tariff, and that they will deal fairly, especially with their neighbours and best customers, the Canadians. "I will not hesitate," he said, "to enter into negotiations with Canada." Never, honourable gentlemen, since the days of Mr. Taft and Mr. Wilson, has a public man in the United States spoken so plainly regarding the relations that should exist between the two great nations of the North American continent.

I feel very strongly on this matter, because I believe that we are, as we say in French, *cherchant midi à quatorze heures*. We are looking only to Great Britain, which affords us an excellent market. Under the preference given to Great Britain by Sir Wilfrid Laurier and the late Mr. Fielding, without the exaction of any return, Canada prospered. My right honourable friend (Right Hon. Mr. Meighen) was

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then a budding young lawyer in the West, and he knows that from the moment the preference of 1897 was granted the British consumer looked towards Canada and began buying butter, cheese, fruits, hay, grain and timber from this country. You will not develop trade by exacting preferences from the other fellow to the same extent that you are willing to grant them to him. The broader you are in your dealings with the other fellow, the more broadly you will be treated by him.

Right Hon. Mr. MEIGHEN: Will the honourable gentleman permit a question?

Hon. Mr. LEMIEUX: Certainly.

Right Hon. Mr. MEIGHEN: Would he favour exacting anything from the United States in the case of a treaty of reciprocity with that country?

Hon. Mr. LEMIEUX: Certainly.

Right Hon. Mr. MEIGHEN: Or would he think of leaving it to them to say what they would do?

Hon. Mr. LEMIEUX: Oh, no. I would do what Sir John A. Macdonald did. The Reciprocity Treaty of 1854-66 continued, after its abolition, to agitate public opinion in the United States and in this country. Sir John A. Macdonald realized what the people felt and until 1879 he was in favour of the renewal of the treaty. I was not then twenty-one, but I could understand politics. I remember that when he introduced his resolutions for the National Policy in 1879 he made—

Hon. Mr. CASGRAIN: A standing offer.

Hon. Mr. LEMIEUX:—a standing offer of reciprocity covering exactly the same articles of the old Reciprocity Treaty. My right honourable friend has only to look at the Statutes of 1879 to find the truth of what I am saying. That offer remained on the Statute Book for many years.

Right Hon. Mr. MEIGHEN: My honourable friend has missed my point. I understood him to argue in favour of a bargaining treaty with the United States, such as was made by his Government in 1911.

Hon. Mr. LEMIEUX: I was speaking of England.

Right Hon. Mr. MEIGHEN: The question is: why is it perfectly safe to make such a treaty with the United States, but a very dangerous thing to make one with England?

Hon. Mr. LEMIEUX: I do not say it is a very dangerous thing, but I think that public opinion may change in England as it changed in 1849.

Right Hon. Mr. MEIGHEN: It may change in the United States as it changed in 1866.

Hon. Mr. LEMIEUX: When you have a signed agreement with the United States it stands for a definite number of years.

Right Hon. Mr. MEIGHEN: It does with any country.

Hon. Mr. LEMIEUX: I will put a question to my right honourable friend. Let us say that we adopt this agreement. Does he really believe that a man like Lord Snowden, or Sir Herbert Samuel, or even Lloyd George—although I do not expect that he will ever again be Premier—would keep such an agreement intact?

Right Hon. Mr. MEIGHEN: Lord Snowden kept the McKenna duties intact long after he had threatened to throw them out.

Hon. Mr. LEMIEUX: But he explained that they represented only a passing event.

Right Hon. Mr. MEIGHEN: They were a long time in passing.

Hon. Mr. LEMIEUX: And they were not so important as this agreement. They provided a mild measure of protection at a time when England was emerging from the War and feared that she might be mulcted by other nations. But let my right honourable friend not be misled into thinking that, when conditions become more nearly normal than they are just now, the old sentiment of freedom which made England such a powerful country in trade and otherwise will not revive. It is reviving at the present moment. Does he believe that if Lord Snowden were Chancellor of the Exchequer this agreement would remain on the Statute Book? For my part, I do not believe it.

Right Hon. Mr. MEIGHEN: Will the honourable gentleman permit me to interrupt him? I should think the return of the Republican Party in the United States after a Democratic regime would be much more likely than the return of Lord Snowden to office in England.

Hon. Mr. LEMIEUX: I am not such a good judge of politics in the United States as I am of politics in the United Kingdom, because I am a Britisher.

Right Hon. Mr. MEIGHEN: He has been refused admittance to his own party.

Hon. Mr. LEMIEUX: May I say to the right honourable gentleman that the people of the United States have learned a lesson during the last ten years. Republicans, as well as Democrats, realize to-day that the time is gone when the nation can be throttled with a tariff as high as the present one.

Hon. Mr. GORDON: It is not long since the United States raised a few of their tariff barriers.

Right Hon. Mr. MEIGHEN: These treaties reduce tariffs.

Hon. Mr. LEMIEUX: Last April I sat in the Congressional gallery for a few hours and I was very much interested in the debates. I can assure honourable members that the unemployment situation was the chief topic of discussion and if the American Government has raised duties and taxes it has been by way of trying to meet heavy deficits. I heard the opinions of representatives of both sides, Republicans and Democrats, and I know that they were critical of high tariffs. And if honourable members will read the American press to-day they will find that the people of the United States are expecting a drastic reduction in their tariffs. There is a strong public opinion in that country to the effect that not only are the people over-taxed, but high duties have been the cause of their acute unemployment situation, and, in addition, have made the people of other countries unfriendly or indifferent to them.

My right honourable friend follows the activities of the League of Nations and knows that for the last four or five years the League has passed resolutions urging the reduction of tariffs in all countries, because it was felt that these trade barriers are a cause of international trouble. And only the other day some small nations—Belgium, Denmark—

Hon. Mr. CASGRAIN: Holland.

Hon. Mr. LEMIEUX: —and Holland, agreed among themselves to lower their tariffs. I am not going to discuss the agreement with the United Kingdom now, for I have barely had time to absorb it. I hope to have the opportunity of speaking when it comes before us for consideration. I shall not oppose it, as it represents the fiscal policy of the Government. I am here to pass judgment quietly on proposed legislation. But I have had some little experience in public affairs, and if I speak with some heat about any of the agreements that were made at the Conference, it is because I feel that there is no salvation from the economic ills from which our people are suffering except through a reduction in tariffs. Take our farmers, our

fishermen, the poor mechanics who work in factories. Do you think that this tariff will bring comfort to them? The tariff may mean much to a few people, but with the masses it is different.

I was brought up in the school of Sir Wilfrid Laurier and Mr. Fielding. I must qualify that, for Mr. Fielding had in him some little taint of protection, with respect to sugar for instance. In all sincerity and honesty I suggest that the right honourable the Prime Minister should mix a little among the masses of the country. If he did so he would learn that his tariff will not make the people contented and happy. After all, the best government is one which will legislate with due regard to the needs and problems of the day.

Hon. C. E. TANNER: Honourable senators, I am sure that the remarks of the honourable member who has just sat down have been very interesting and enlightening—although perhaps not in the sense that he intended—and that we all appreciate his very eloquent lecture on tariffs and other matters. I have no doubt that he was one of the elect who met at Ottawa in 1893 and declared by all the gods, dead or alive, that protection in this country was going to be torn up, root and branch. They passed a lot of resolutions to that effect, and printed them and scattered them abroad. I hope I am not wrong in assuming that my honourable friend was one of those present at the great convention of 1893 who were determined to lay the axe at the root of protection. Well, in 1896 the free trade party, headed by Sir Wilfrid Laurier and supported by my honourable friend, came into power. We have heard many invocations this afternoon, but will my honourable friend tell me whether that party of Sir Wilfrid Laurier rooted up protection in Canada? The Finance Minister of that Government was the late Mr. Fielding. He had made many speeches and declarations of policy in Nova Scotia while he was Premier of that province, and had pledged himself and his political career to the bringing about of all sorts of reciprocal trade arrangements with the United States. And as for protection, it was to be damned, cursed and obliterated from the country. But will my honourable friend tell me what Finance Minister Fielding and Sir Wilfrid Laurier did in 1897? Did they prove themselves to be honest and sincere men with respect to the tariff? My honourable friend knows that when Mr. Fielding brought down his tariff in the month of April, 1897, he had incorporated in it some of his free trade heresies, but that they never went into effect. What happened? I have no doubt my honourable

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friend remembers. When Mr. Fielding encountered the tempest of opposition among his own friends and the industrialists of Canada, he walked home with his free trade budget, as he called it, and did not appear again with it until the 17th of May. Then he came in and candidly acknowledged—and I give him credit for it—that he had to restore the protection features on account of the pressure of industrial Canada.

Those features remained in their restored position, and my honourable friend supported that high tariff. Throughout the whole of his political career he supported it, for it was never changed. It was always high under Laurier. What is the use of the honourable gentleman coming here and preaching sermons which he never lived up to in his own political life? He has been talking to us about lower tariffs. Why did he not lower tariffs when he had the power to do so, or when he was backing a Government that had the power to do so?

Apparently the honourable gentleman has not yet got out of his head that old notion about going to Washington. All through the Laurier regime there was talk about going to Washington. Of course, Mr. Fielding was largely to blame for that, because he was politically crazy about continental free trade, unrestricted reciprocity, and all that kind of rubbish. And we know—I do not know whether my honourable friend does—that Mr. Fielding and a few others drove Sir Wilfrid Laurier against his will into the reciprocity pact in 1911. We know further that the reciprocity policies of Mr. Fielding brought about the defeat of the Laurier Government. Even John W. Daffoe, who I think is a good authority on the subject, tells us in his life of Sir Clifford Sifton that Sir Wilfrid Laurier did not want that treaty of 1911, but that Mr. Fielding and others forced him into it.

Hon. Mr. LEMIEUX: The author forgot to state that Sir Clifford Sifton himself delivered a speech in the United States in favour of reciprocity.

Hon. Mr. TANNER: Anyway, while the King Government was in power I heard my right honourable friend who now leads this House (Right Hon. Mr. Meighen) time and again challenge Mr. King to say that if he and his colleagues had the opportunity they would again make that 1911 treaty.

Right Hon. Mr. MEIGHEN: Not one of them would say so.

Hon. Mr. TANNER: They would not say so then, and they would not say so to-day.

Hon. Mr. LEMIEUX: Mr. Fielding said so.

Hon. Mr. TANNER: My honourable friend might be glad to make such a treaty, he is so infatuated with those Washington agreements since 1854—that is a long time back—when we used to pay the farmer ten cents a pound for butter, fifteen cents for a bushel of potatoes, twenty cents for a barrel of turnips. Those were the golden days for our farmers. My honourable friend apparently would like to bring back those golden days by negotiating another reciprocity treaty.

Hon. Mr. LEMIEUX: Those are the prices that our farmers in Gaspé get to-day.

Hon. Mr. TANNER: We will let my honourable friend have all that satisfaction. But I would remind him that he is not in accord with his present leader at all, for in 1930 Mr. King—I presume he is still the leader of the Liberal Party—over his own signature publicly notified the United States that he was not going to try to negotiate any further reciprocity agreements with them, because they were not willing to make a fair arrangement. I think my honourable friend was assisting Mr. King in the general election of 1930 and must have read that formal public statement. I have no doubt that he supported his leader on that occasion; I have no doubt that he also supported the Dunning budget, which raised our tariff walls against the United States, and I have no doubt that he co-operated with the honourable leader on the other side of the House, who announced during that election that by the Dunning budget we were repaying the United States Government for their harsh treatment of us by taking \$200,000,000 worth of trade away from them. Did my honourable friend approve of that line of policy—high tariffs, refusing reciprocity, shutting ourselves off from the United States? I recall that throughout the election of 1930 he was one of the most diligent members of his party in supporting the very policy which now he tells us is all wrong. Now, can we place any confidence in a public man who is so inconsistent in his views? It is impossible. There must be some consistency in public life. That was only two years ago; but here is my honourable friend to-day born again! Why? Because he is in opposition now and would like to see Mr. King get back into office. There is the whole story. That is the kind of statesman that my honourable friend appears to be. I did not intend to make this digression, and if we are to go into our political history since 1854 it will take longer than the limited time that I have at my disposal this afternoon. However, I shall be very glad to discuss the matter fully with my honourable friend on some future occasion. I can assure him, from what I have

read and seen of his political career, that he will have a great deal of difficulty in keeping on a straight line.

Hon. Mr. LEMIEUX: I am a teetotaler.

Hon. Mr. TANNER: Yesterday my honourable friend from Sydney (Hon. Mr. McLennan) mentioned the subject of the St. Lawrence Waterway. I am not going to discuss it at the moment, but I agree with him that it is a great and important subject which we should all be considering and studying. I can say that the report of the Senate Committee of 1928, to which he referred, contains an enormous amount of useful information on the St. Lawrence Waterway—information which in many respects cannot be found in any other available publication. I second his recommendation that honourable members of this House and the public in general should devote considerable of their time to a thorough study of the subject.

I would point out one or two facts in addition to those stated by my honourable friend. We are apt to think of the St. Lawrence as if it were wholly a Canadian river. It is true we are fortunately situated in having all that part of the St. Lawrence from Lake St. Francis out to the Gulf in Canadian territory. But I desire to put on record a fact which we should not overlook. Of the 1,215 miles of lake and river navigation courses down to Montreal there are on the United States side of the boundary line 675 miles, only 477 miles on the Canadian side, and only 63 miles on the boundary line itself. I point this out in order to let the House and the country know that while we have sovereignty, yet there is the boundary line winding down through these lakes and through the river, and on this side and on that the respective proportions of navigable water which I have mentioned. It will also be found by consulting the report that a great deal of work has been done by the United States Government, not only on its own side of the boundary line, but also on the Canadian side, with our consent. On this work it has expended very large sums of money. At Sault Ste. Marie it will be found that the great bulk of our freight goes through the United States canal, because it is of greater capacity than the Canadian canal. That is all I desire to say on the subject at this time, merely to put honourable members on inquiry so they may study the subject.

We have heard a good deal this afternoon about unemployment. Nobody will belittle the question; undoubtedly it is of grave importance. We have been asked by my honourable friend from Rougemont (Hon. Mr. Lemieux) what the Ottawa Government is

doing to solve the problem. Well, I may tell him that in 1930 active steps were taken by the Federal Government to meet the emergency, and large sums of money were provided for the purpose. Those moneys, I believe, were honestly spent; at least no one has ever suggested that one dollar of the appropriation voted in 1930 was misspent under the direction of our esteemed colleague from Welland (Hon. Mr. Robertson). And a great deal of work has been done. Ever since 1930, if I am correctly informed, the Federal Government has been furnishing each provincial government—and there are nine of them—large sums of money to assist it in dealing with unemployment. In addition to making these substantial grants to the provincial authorities, the Federal Government has been safeguarding our fiscal system by strengthening our tariff walls. Why? Because it is anxious to keep our own factories going and to prevent foreign countries from flooding our markets with their products and so forcing our workmen out of employment. Finally, the Federal Government engaged itself in the great work of the recent Imperial Economic Conference, with the objective of developing and increasing our industry and thus ensuring greater employment. Now, I think that is a pretty good record.

I listened very attentively to my honourable friend (Hon. Mr. Lemieux) who preceded me. He is a public man of long experience, a former Cabinet Minister, and prominent in his profession. Time and again in the course of his speech he asked, "What is the Government going to do to relieve unemployment?" But I waited in vain for a single suggestion from him as to what ought to be done. Although he has been a representative of the people for thirty or forty years, he sat down without making even the scintilla of a suggestion to help the Government deal with the situation. Unfortunately we hear too many speeches like that in and out of Parliament; reams of them are printed, broadcast, and spoken from platforms and from pulpits everywhere; conferences are being held and various organizations are passing resolutions. But have any of them made one practical, concrete suggestion as to what ought to be done? If so, I should like to be informed. Up to this moment I have failed to hear anything of the kind, except the one suggestion of my honourable friend that we cut down the tariff. What does he mean? That we should go out with a steam roller and break down all our tariff walls? Well, if we adopted his suggestion what would happen? What would the people do who are employed in the industries of this country? If the

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United States, if France, if Italy, if Czechoslovakia, if Germany—if all the countries that are now trying to push their goods in here found our tariff walls broken down, why, this country would be swamped with their products, our factories would be compelled to shut down, and instead of having 500,000 we should have 3,000,000 or 4,000,000 unemployed walking the streets.

As I say, that is the only suggestion I have heard. True, the honourable leader of his party in another place has said that we should have a conference. We have nine provincial governments; we have one Federal Government. I have observed on the part of my honourable friend and a great many who think as he does a distinct and positive attempt to fasten upon the shoulders of the present Federal Government sole responsibility not only for the dislocation of trade and business throughout the world, but also for relieving all unemployment in Canada. Is it to be suggested that the Government at Ottawa should take over from, we will say, the provincial governments in Nova Scotia, New Brunswick, Prince Edward Island, Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia the administration of provincial affairs? If I understand him aright, that is his suggestion. But there is more than that suggested in the arguments which he and other honourable gentlemen have been addressing to us. There is the suggestion that the citizen has no responsibility whatever; that the sole responsibility lies on the shoulders of the ten or eleven men who happen to compose the Government at Ottawa. I submit, honourable senators, that this is a time when the individual citizen, the churches, and every other organization throughout the Dominion should realize their duties and responsibilities instead of attempting to shift them on to the shoulders of the few Cabinet ministers here in Ottawa. Every citizen and every organization should be hard at work collaborating and assisting in this work of looking after the unemployed. I conclude what I have to say in this regard with the remark that I feel confident the attempt to fasten all responsibility, not only for unemployment but for the causes of unemployment, upon the shoulders of one government will not appeal to the better sense of the people of this country.

My honourable friends on the other side, particularly the honourable gentleman who immediately preceded me, referred to the Imperial Economic Conference. The honourable leader opposite stated that in 1897 the Imperial preference granted by the Government

of Sir Wilfrid Laurier was quite voluntary; that at that time his Government did not think of asking the Imperial Government for a preference in return. That is true in part only, because, while the Government of Sir Wilfrid Laurier did not directly approach the British Government and ask for a return preference, it is distinctly on record in the proceedings of this Parliament that it was Sir Wilfrid's objective to get a return preference. As Mr. Fielding expressed it in 1902, we believed that by giving that preference in 1897 we should create a friendly sentiment that would result in the British Government giving us a preference in return. Sir Wilfrid Laurier said the same thing in 1902, and in 1902 Sir Wilfrid Laurier and Mr. Fielding, and of course their colleagues in the Government, were quite confident that the time had come for which they had hoped, and that when they went to the conference that year they would find the Government of the United Kingdom ready to give Canada preferential treatment. I do not want to take up time in reading. I can give the House in a moment the reference to the page of the Debates of 1902 where Mr. Fielding distinctly makes that statement. Sir Wilfrid Laurier also made similar statements. But, as my honourable friend who leads the other side has said, Sir Henry Campbell-Bannerman got busy and started a tremendous agitation to revive the creed of free trade in England, and in 1906, after the elections, free trade was still a factor.

When Sir Wilfrid Laurier went over to the Imperial Conference in 1902 he found that the door was locked and barred against him so far as Imperial preferences were concerned, but in view of what my honourable friend (Hon. Mr. Dandurand) has said, I want to place on record in a few words the policy of Sir Wilfrid Laurier in that year—and of course it must have been the policy of my honourable friend himself at that time. Sir Wilfrid Laurier was then Prime Minister of the colony of Canada. He and the prime ministers representing the other colonies were agreed on a policy of Empire preferences, and at the conference of 1902 what Canada and the other colonies were ready to do was very distinctly put on record. If my honourable friend studies the official report of that conference he will find that what I am about to read is contained in the documents. This is what Sir Wilfrid Laurier and the other colonial prime ministers submitted to the British Government:

The representatives of the colonies are prepared to recommend to their respective parliaments preferential treatment of British goods on the following lines:

Canada—The existing preference of 33½ per cent and an additional preference on lists of

selected articles; (a) by further reducing the duties in favour of the United Kingdom; (b) by raising the duties against foreign goods.

Think of that! "By raising the duties against foreign goods."

(c) by imposing duties on certain foreign imports now on the free list.

There is the record of the Laurier Government in 1902, when it said to England: "Give us a preference. We will increase your preference, we will raise the duties that now exist against foreign goods, and we will impose tariff duties on foreign goods that now come in free." That does not look very much like cutting down tariffs, and yet, I have no doubt, my honourable friend opposite declared time and again that that was a sound and magnificent policy for Canada. If he did not, I should be very much surprised.

Sir Wilfrid Laurier did not stop there. As we have heard a great deal charging arbitrary characteristics to the present Prime Minister, and relating to what he said when he went to England, I want to read to the House what Sir Wilfrid Laurier said to the British Government in 1902. He was not wholly satisfied with being on record with the other prime ministers in the statement which I have just read; so before he left London he put on record a statement pointing out how much the preference of 1897 had done for Great Britain, and concluding in the following language:

If after using every effort to bring about such a readjustment of the fiscal policy of the Empire the Canadian Government should find that the principle of preferential trade is not acceptable to the colonies generally, or to the Mother Country, then Canada should be free to take such action as might be deemed necessary in the presence of such conditions.

That to my mind was a very direct and positive threat—shall I say?—to Great Britain that if she did not choose to agree to the policy of Imperial preferences Canada was going to be free to do just as she liked in regard to tariffs and trade. The present Prime Minister while in London never made as strong a statement as that made by Sir Wilfrid Laurier in 1902. Again I have no doubt that the honourable gentleman who leads the other side of the House (Hon. Mr. Dandurand), and my honourable friend who spoke a few moments ago (Hon. Mr. Lemieux), acclaimed in vigorous language the attitude of Sir Wilfrid Laurier at that time.

Now, I want to hurry on. As we know, nothing important in the way of Imperial preferences happened from 1902 till 1930. Then we come to the Dunning budget. What was the Dunning budget? It was a deliberate and positive effort on the part of the King

Government to divert from the United States to the United Kingdom a considerable amount of Canadian trade. In the hope of achieving that purpose the then Government raised a tariff wall against the United States. I want to refer very briefly to what Mr. Dunning, who was then Finance Minister of the King Government, said on that occasion. In closing his speech on the presentation of the budget to Parliament he made this important statement:

Within the British community of nations lies the greatest measure of opportunity for mutual development of trade, because of our common heritage, kindred institutions and common patriotism.

We are bound to believe that when Mr. Dunning made that statement he was echoing the convictions of his leader, Mr. King.

After that budget was adopted the Prime Minister of that day, Mr. King, issued a signed statement which was published in the newspapers during the campaign. This is what he said:

We have made it clear to our neighbours in the United States that while we are anxious at all times to deal with them on fair and equal terms, we have now reached the point where we consider it to be our interest to transfer a very considerable portion of purchasing power from the United States, which is apparently unwilling to deal with us on equal terms, to our kith and kin in Great Britain, who have given us a position of absolute equality with British producers on the British market.

That was Mr. King's notice to the United States that he was attempting to transfer that business from the United States because they would not deal fairly with him.

Hon. Mr. FORKE: Is that not all right?

Hon. Mr. TANNER: Then our honourable friend the leader of the other side of the House (Hon. Mr. Dandurand), in one of his very interesting broadcasts, made on the 24th of July, 1930, and published in the newspapers on the 25th, gave Canada this assurance:

We have answered the United States' harsh treatment in their tariff manipulations by turning over \$200,000,000 worth of business to Great Britain. We go in September to London with that present in our hand.

Hon. Mr. CASGRAIN: Is that not all right?

Hon. Mr. TANNER: I have cited that to illustrate to the House the attitude of these honourable gentlemen at the time of the elections of 1930. They were the fervent advocates of Empire preferences, and without question sound to the core. There was only one place to trade—Mr. Dunning said it, Mr. King said it, my honourable friend across

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the way (Hon. Mr. Dandurand) said it: "The Empire for us. That is where we will build up our trade."

Hon. Mr. DANDURAND: We trade with those who want to trade with us.

Hon. Mr. TANNER: There is no question at all in their minds, and they go across with a gift of \$200,000,000 in their hands to lay it at the feet of Ramsay MacDonald and Mr. Snowden and come back with a shipload of preferences. Fancy them going over and saying to Mr. MacDonald and Mr. Snowden: "We have been making gifts to you since 1897. Here is our latest gift, \$200,000,000 worth of trade that we are going to wring out of the United States and deliver to you. You must do something for us." Fancy asking Mr. Snowden, the Chancellor of the Exchequer, to give them a preference! They might as well have asked him to move the Thames River from London to Ottawa. He would need to have an optimism as high as the Parliament Tower who would expect them to come back with anything in return. Those honourable gentlemen on the other side would say: "Yes, your gift is very fine, but we are wedded to free trade and we cannot give you any preferences."

The policy of the Government was submitted to the people of Canada in 1930, and they decided that the Bennett policy was preferable. Mr. Bennett became Prime Minister of Canada and in 1930 went over to London, where he met with the Prime Ministers of the other Dominions. And what had become the attitude of these fervent Empire preference people? Did they display any desire to see the Bennett Government bring back preferences? They told Mr. Bennett before he went that he would fail, and after he came back they told him that his visit had been a gigantic failure and a tragedy. In fact, the leader of the Liberal Party has been pronouncing that kind of benediction ever since, on the attitude of the Government and the proceedings in London in 1930. I should like any honourable member of this House to suggest any economic or fiscal or governmental change of such tremendous importance as that which occurred in England between the autumn of 1930 and the autumn of 1932. Undoubtedly the British Government as constituted in 1930 was absolutely opposed to anything in the nature of preferences between the Mother Country and the Dominions. Its members were free traders by religion and practice. It may be said that the attitude taken by Mr. Bennett and the other Prime Ministers in London in 1930 did not have any influence, but I want to submit that their

attitude played a very large part in the events that followed. By an overwhelming vote Great Britain wiped out the dogma of free trade and brought into office a National Government which adopted the policy of protection for British industry and of preferences to the Dominions. I say that that change, unprecedented in any country, was hastened very materially by the position taken by the Prime Ministers of the Dominions in the London Conference of 1930, and I want to point out that the man who condemns the Prime Minister of Canada condemns the Prime Ministers of the other Dominions, because Australia, Newfoundland, New Zealand, Rhodesia, Ireland—all the Dominions that were represented by their Prime Ministers at the Conference of 1930—spoke in the same tenor as did the Prime Minister of Canada.

Honourable members opposite have had a great change of heart. Up to the time of the elections of 1930 they were fervent Empire preference men, but now they have nothing but questions and doubts as to whether Empire preference is or is not a good thing. The honourable gentleman who leads the other side of the House said yesterday that if we are to have trade within the Empire to the prejudice of our trade with foreign countries, then we have not accomplished much good, but have done something that will not be acceptable to our people. Yet in 1930 he boasted that we were going to transfer \$200,000,000 worth of trade from the United States, our near neighbour, to Great Britain. His two positions are not consistent.

Hon. Mr. DANDURAND: I cited yesterday thirteen countries with which we have been doing business, but there is no mention of the United States in that list.

Hon. Mr. TANNER: My honourable friend cannot get away from what he said yesterday. His meaning is very clear. This is what he said:

Honourable members, we are now attempting to bring about the importation from countries in the British Commonwealth of goods that we formerly have been importing from other countries. If we could accomplish nothing more than that it would not go very far towards increasing our prosperity, but we are hoping for a larger exchange of goods.

In 1930, when the honourable gentleman boasted that it would be a good thing for us to transfer \$200,000,000 worth of trade from the United States to England, he was whole-hearted. To-day he is only half-hearted. He did not see any danger ahead then because Mr. King was Prime Minister. To-day he sees a great deal of danger because Mr. Bennett is Prime Minister and has made agree-

ments with different parts of the Empire. It makes a lot of difference who is Prime Minister.

Hon. Mr. LEMIEUX: Does my honourable friend really believe that anybody in this country envies the position of the Prime Minister?

Hon. Mr. TANNER: It is not merely a half-hearted change that is needed by the honourable gentleman who has just spoken; he needs a wholly new heart. The old one and all the tendons connected with it should be cut out, and then he may be all right, but until that is done there is no hope.

The honourable leader on the other side (Hon. Mr. Dandurand) declares that under the agreement with Great Britain our fiscal independence may be invaded. The leader of the Opposition in another place declares the same thing. My honourable friend says that we are binding ourselves for five years, and he fears we are being placed in a dangerous position. Well, it is only a question of degree, because he and his colleagues in the late Government made treaty after treaty, and brought them down here and said: "There they are; you cannot change an item in them; you have to accept them or throw them out." And those treaties fixed the tariff, just as these Conference agreements do, though perhaps for a shorter time. My honourable friend's Government made an agreement with the West Indies without consulting people who knew what was required. We were tied up to the building of ships and to the running of them for, I think, ten years, and at the present time we are losing at the rate of about \$900,000 to \$1,000,000 a year on those vessels. The Government of the day planked that agreement on the tables of both Houses of Parliament and said: "Take it. You cannot change it."

If that sort of thing was all right, what is wrong about the making of agreements with Great Britain and our sister Dominions for five years? I see no objection, for if I understand the matter correctly it is of the utmost importance that stability should underlie any such agreement. If we are to build new avenues of trade and commerce, if we are to divert our trade from the United States and other foreign countries to England, we must make sure that there is some degree of stability to the changed conditions. There is no use in starting a stream of commerce and not making provisions to ensure that it shall not be dammed shortly afterwards. Five years is a short enough period of time to be set for the operation of agreements of the

kind that we have made, if the new business is to have the necessary stability. So I think that Parliament can safely hold up both hands in support of that feature of the agreements.

There is only one other point on which I wish to touch. We have heard in this debate a great deal about our right to govern ourselves. That is conceded. No one disputes that we have the right to make our own tariffs. But as a constituent part of the Empire or Commonwealth we have some rights in settling Empire or Commonwealth matters. As I remarked a little while ago, Sir Wilfrid Laurier did not hesitate to tell the British Government in 1902 that if they did not change their fiscal system so as to give preferences to the Dominions and Colonies, the Dominions and Colonies would do as they liked with their own tariffs. In the last ten years, we have been given to understand, an entire change has taken place in the status of the Dominions. We have been told that, and we believe it.

Whereas in 1902 the premiers of the outlying parts of the Empire assembled in London as premiers of colonies, in 1930 they assembled there as the prime ministers of independent, self-governing nations, each with as many national rights as the other and of equal status with the Mother Country. This summer these nations—not colonies—met in Ottawa. To do what? To settle their common business and to engage in conferences for the purpose of developing trade with one another. New Zealand came here for New Zealand first and the Empire next; Australia came for Australia first and the Empire next; England came for England first and the Empire next. That was the attitude of them all, and rightly so. Canada was for Canada first and the Empire next.

But we are told there should not be anything like that; that there should not be any such bargaining as was done. Such an attitude might have been all right in the old days when the present Dominions were colonies, but now that the Dominions have reached the stature of manhood, in a national sense, we talk to one another like men. We say, "You give us this and we will give you that." What is wrong about it? How are you going to confer about trade if you do not have bargaining, especially when you are all sitting around a table and are all of equal status?

Mr. Mackenzie King says there will never be such a conference held again, because if there were it would disrupt the Empire. Now, honourable members, I do not need to

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dwell on that. We are all devoted to the English Crown, to English traditions, and to the component parts of our Empire. But as nations we have grown to man's estate. Who can tell what will be the stature of this Canada of ours fifty years hence? If we are not able to find something in common in the way of business and commerce within the Empire, sentiment may not play a very large part. If we found it more profitable to make trade arrangements and to trade with the United States and with European and other foreign countries open to trade with us, the result might be very disastrous to the Empire.

Having brought us to the stature of nations, honourable members on the other side of the House should be the last to say that we should not live up to that stature as nations, holding our own interests first, and the interests of the Empire next after our own. If I wanted to take up time I could quote what was said by leading Liberals like Mr. Rinfret, Mr. Denis, Mr. Cardin and Mr. Mitchell, who went about the country in 1930 explaining their policies. "We are all for Canada first," Mr. Cardin said. But Mr. Bennett must not say anything like that. Those words are all right when uttered by Mr. Rinfret, Mr. Cardin and honourable members opposite, but all wrong when uttered by a Conservative.

We all know who started the campaign for Empire preference. It was Joseph Chamberlain, and I think that he knew as much as Mr. King does about Empire statesmanship. Bonar Law, a great Canadian, was a strong supporter of Joseph Chamberlain's policy of Empire preference. In the Life of Bonar Law it is related that one day, in the course of a conversation, Joseph Chamberlain explained to him the real reason why he had introduced the policy of Empire preference. "I have taken the step," Chamberlain said, "because I believe it is the only way by which it is possible for us to secure the real union of the British Empire." I am content, honourable members, to leave that against the statement of Mr. Mackenzie King that we are on the way to disruption of the Empire.

Hon. J. J. HUGHES moved the adjournment of the debate.

Right Hon. Mr. MEIGHEN: I am consenting, though I should much prefer that we should sit this evening and close the debate. I understand that certain members who desire to speak feel that they are not in a position to do so at present. In agreeing to the motion I want to say that should there be other business that the Government considers of sufficient importance to take priority

when we meet again next week, that business, until it is disposed of, will have to be given priority over this debate.

Hon. Mr. CASGRAIN: Hear, hear.

Right Hon. Mr. GRAHAM: Honourable members, the proposal of the right honourable leader of the House is quite satisfactory. There is this advantage in adjourning the debate at present, that when we meet again, if there is no other important business, the Senate will have something to proceed with.

The motion of Hon. Mr. Hughes for the adjournment of the debate was agreed to.

The Senate adjourned until Thursday, October 20, at 8 p.m.

THE SENATE

Thursday, October 20, 1932.

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

Prayers and routine proceedings.

NEW SENATOR INTRODUCED

Hon. Albert Joseph Brown, of Montreal, Quebec, introduced by Right Hon. Arthur Meighen and Hon. T. Chapais.

THE GOVERNOR GENERAL'S SPEECH ADDRESS IN REPLY

The Senate resumed from Friday, October 14, consideration of His Excellency the Governor General's Speech at the opening of the session, and the motion of Hon. Mr. Poirier for an Address in reply thereto.

Hon. J. J. HUGHES: Honourable senators, we are now considering the speech with which His Excellency the Governor General opened Parliament, and while that speech promises legislation on many important questions, I doubt whether the Government fully apprehends how serious are the troubles that beset us and how momentous is the world evolution which surrounds us, and through which I hope we are passing. My observation in regard to the misapprehension of the Government is, I think, justified, because while public opinion the world over is coming to regard high tariffs as the major cause of the world's distress, this Government proceeds on the assumption that high tariffs are a remedy for every economic ill. Even facts will not convince it to the contrary. "Ephraim is joined to his idols."

This autumn session of Parliament has been specially called to consider and ratify the agreements entered into by the representa-

tives of the Empire at the Conference held in this city last summer. In dealing with the agreement made between the United Kingdom and Canada I shall analyse Article 11 only. This will be fair, because the other articles are not incompatible, I think, with that article. It reads as follows:

His Majesty's Government in Canada undertake that during the currency of this Agreement the tariff shall be based on the principle that protective duties shall not exceed such a level as will give United Kingdom producers full opportunity of reasonable competition on the basis of the relative cost of economical and efficient production, provided that in the application of such principle special consideration shall be given to the case of industries not fully established.

That is to say, the customs duty on goods from Great Britain shall not exceed the difference in the cost of producing such goods in the United Kingdom and in Canada, except that in the case of some industries in Canada needing special consideration the duty might be a little higher, and in the case of all foreign goods the duties would be higher still. In other words, as prices depend upon costs of production, our tariff would have for its object the equalization of prices of all goods produced in Great Britain and the sister Dominions, when imported into Canada, and if goods were to be imported from foreign countries the price would be even higher than that of similar goods produced at home. I think I am stating the case fairly, and I feel pretty sure that the Prime Minister himself would not object to my understanding of it. Now, where does this principle lead? It sounds plausible, but it is fundamentally unsound, and, if carried out in its entirety, would inevitably lead to the total destruction of international trade and the trade among the component parts of the Empire.

All profit in trade, national and international, is made by taking things from where they are comparatively cheap to where they are comparatively dear. If you wipe out by legislation all profits on the exchange of goods between nations you destroy such exchange, because no human being will engage in trade unless there is a profit in it. The difference in the prices of goods and services in different countries is the reason for taking goods from one country to another. This is called trade, and trade is what largely differentiates the civilized man from the savage.

I know, of course, that protective tariffs are not intended to, and do not, destroy national trade; but their object is to injure, and if possible to destroy, all international

trade. This would include practically all ocean-borne commerce. I need not try to tell intelligent men and women what that would mean. No wonder that the thoughtful opinion of the world is coming to regard protective tariffs as the major cause of all our economic troubles. The United States of America, with all the advantages in the world, tried protective tariffs, and where have they led her? They have led to colossal fortunes in the hands of the few and to nakedness and hunger for the millions.

The proposals of the late Joseph Chamberlain, if I understand them, were the establishment of a Zollverein among all the component parts of the Empire, with tariffs against the outside world. Those proposals were rejected by the electorate of Britain, and would, I think, be very unwise, but they would be much better than the present proposals, which give us free trade in only a limited number of articles between ourselves and the Motherland—and to the extent that they permit of such free trade I welcome them.

If we examine the schedules of the present agreements we shall find that the tariff has been enormously increased since the present Government took office. I need not give particulars; that has been done in another place; but I shall submit a few figures which show a comparison of the duties under the Dunning budget, the Conservative tariff and the Conference agreement:

	Per cent
Cotton printed piece goods—	
Liberal.	18
Conservative.	53
Conference.	50
White cotton flannelette—	
Liberal.	15
Conservative.	52
Conference.	48
Wool piece goods—	
Liberal.	24½
Conservative.	62
Conference.	59
Wool overcoating—	
Liberal.	24½
Conservative.	105
Conference.	91
High grade suitings—	
Liberal.	24½
Conservative.	66
Conference.	63
Hosiery, wool—	
Liberal.	22½
Conservative.	88
Conference.	77
Blankets, wool—	
Liberal.	20½
Conservative.	100
Conference.	72
Axminster carpets—	
Liberal.	22½
Conservative.	100
Conference.	78

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An importing merchant in Montreal told me that since the taxes under the present agreement became law he received from England a bill of goods, among which was some cloth for overcoatings. The invoice price for that commodity was \$124.76, while the duty and other charges that he had to pay at the customs house amounted to \$138.34—considerably more than 100 per cent.

The figures that I have quoted show that the increases since the Liberals went out of office have been more than 200 per cent in some instances, and even after the Conference decreases have been made they stand at 200 per cent and more. Under these circumstances, no free trader or even moderate tariff man can give his support to these agreements, and I can hardly imagine that the Government ever expected such support.

The Prime Minister indulges in very glowing predictions of the advantages these Empire agreements will bring to Canada, but many people will hesitate to accept these predictions at their face value when they remember what became of the strong promises made by the right honourable gentleman on the eve of the last election.

The other great impediment to world trade and world recovery is probably the changing value of gold, the metal upon which the currencies of all the western nations were, for many years, based.

It would be trite to say that when the United States and France corralled the gold of the world they made it practically impossible for debtor nations and debtor individuals to meet their obligations. In some parts of Europe the situation is so bad that the people are compelled to resort to the practices that prevailed two thousand years ago and engage in simple barter if they wish to do any business at all. The ordinary medium of exchange called money has disappeared. In fact the same thing is true to some extent even in Canada.

The Prime Minister is very strongly opposed to what is known as "fiat money" and is determined to maintain the sanctity of contracts. This would be a good idea if everybody shared in the sanctity, but if the principle is worked so that under it the creditor becomes wealthy and the debtor is impoverished, where does the sanctity come in? Does not everybody know that that is just what is happening at the present time? In regard to contracts that were entered into a few years ago and are still running, one bushel of wheat, for instance, would meet an obligation then that three bushels of wheat would not discharge now; and as with wheat so is it with

nearly every other commodity that the farmer, the fisherman or the lumberman produces. Most of us know or believe that fiat money, if used to extremes, would wipe out the creditor class, also the professional and the salaried classes; but the gold standard and the sanctity of contracts appear to be wiping out the debtors, both nations and individuals, and whatever destroys the debtors destroys, in the end, the creditors. And have we not fiat money now? Is not the Government circulation that goes beyond the gold reserves fiat money? And will anybody say that it is not performing a useful and even necessary service? The fundamental truth seems to be that man is his brother's keeper, and whatever injures one man or one nation injures all men or all nations, and whatever benefits one man or one nation benefits all men or all nations. I think it was Sir Josiah Stamp who said, "Beware of the contract that gives the other fellow all the losses."

That the Prime Minister clearly apprehends the terrible load the debtor class is carrying is evidenced by what he said during the Conference before the Committee on Monetary and Financial Questions:

Interest charges represent the most important of the fixed or semi-rigid elements in our cost structure. If prices remain on their present level, such charges will constitute an intolerable or almost intolerable burden in many cases. Even if it can be borne, the fortuitous gain to the creditor of 40 to 48 per cent in general purchasing power above what he contracted for appears to be a grave injustice.

But the Conference adjourned without taking any action on this most important question. It would surely be interesting to know why, because, while the British pound is at a discount in Canada and at a premium in the countries which compete with us in the British market, the preferences we obtain in that market by this agreement will be more than wiped out. The British pound is at a premium in Denmark; therefore we cannot compete with that country in bacon and ham and hog products. The British pound is at a premium in New Zealand and Australia; therefore we cannot think of competing with these nations in dairy products, wheat, meat and whatever else they have to sell. The British pound is at a premium in the Argentine, and I think in other South American countries; we cannot therefore compete with these countries in wheat, meat and whatever else they have to sell in the British market. So wherever there might be a value in this agreement it is largely, if not altogether, nullified by the monetary situation.

Now, there is a striking difference of opinion between the Prime Minister of Canada and the Prime Minister of Australia in regard to the value of the gold standard and the monetary system generally. The Prime Minister of Canada stated on the 10th of this month, at page 57 of the Commons Hansard:

When England went off the gold standard this country was struck the greatest blow it has ever experienced, the force of which we have never been able to measure.

The Prime Minister of Australia at the Imperial Economic Conference stated—page 57 of the proceedings—that conditions in his country were improving all the time and said:

Great Britain has helped substantially, partly by suspending interest and sinking fund payments on the War Debt, and partly by her departure from the gold standard.

Strange that what would help Australia would deal such a staggering blow to Canada—and they are all honourable men. But there is more than that. The Prime Minister of Canada stated on the 10th of this month, at page 60 of Commons Hansard, that Australian five per cent bonds sold on the New York market at half of par, or fifty per cent. I looked through the Wall Street Journal and the New York Times and found that Australian five per cent bonds sold recently in New York at 84 and 85. Apparently somebody made a mistake. So much for that phase of the question. I will only add that if the capitalistic system breaks down altogether the capitalists themselves will have been its executors. I will now turn to another phase.

World distresses and disasters are not new things in the history of mankind. The Bible is filled with examples of the punishments which man brought upon himself by his transgressions of the divine law, and many are the examples of the alleviations which followed repentance and amendment. Many thoughtful persons are convinced that the present depression is not entirely due to false economics; that our transgressions against the divine law are a large factor in the case. The head of the Catholic Church is clearly of that belief, for he has issued letter after letter pointing out that gross materialism, selfishness, greed, the accumulation of enormous wealth in the hands of the few, the mad pursuit of pleasure on the part of many, our forgetfulness of the fact that we are but the stewards of everything we possess—in a word, our forgetfulness of the divine law, which makes every man in the world our neighbour, is the chief cause of all our troubles. Many, very many, of the best men and women in all Christian denominations are of the same way

of thinking. Right Hon. Stanley Baldwin, who is, I believe, a most worthy lay representative of the British race, surely holds similar views; and our own Prime Minister once declared that only the grace of God could save the world. Therefore, our troubles have been caused, not by lack of knowledge, but, in part at least, by selfishness, hardness of heart, and nationalism carried to the length of absurdity. But governments and parliaments are not more responsible than others for these things: all Christendom is responsible, and in any strict summing up the clergy and church authorities might have to take their share of the blame.

Legislative bodies, particularly in the British Empire and the United States, do not legislate against the people's wishes; in fact public men try to anticipate public opinion by legislation; hence the great importance of individual knowledge and individual conscientiousness with respect to civic duties and responsibilities. In my opinion, these things are not taught in the homes, in the schools and perhaps in the churches to the extent they might be. It has been said:

Give a man his moorings on spiritual facts and he will soon think straight on issues like world peace, social and international solidarity, economic justice, family loyalties and the primal decencies. He will use the ground won, not to go to sleep on, but to think and act from.

This wise declaration is no doubt true, but all the same specific instruction to growing people and adults, by persons who have the right and the duty to instruct, in regard to civic duties could hardly fail to do some good.

There are three great moral and social evils in the world, namely, drunkenness, gambling and divorce. The first two injure the family, sometimes destroy it; divorce always destroys it; and the family is the foundation of the state. Canada has her share of these evils. Properly informed, conscientious public opinion, supported by legislation, could do much to minimize these evils; but legislation without such public opinion organized behind it might do, and sometimes has done, more harm than good.

At the close of the Great War the United States of America received, I think, a call to the leadership of the world. She heeded it not; she turned it down. I am afraid she was not worthy. The trade restrictionists and the selfish interests were largely responsible for such rejection. I really think that call has been transferred to the British Commonwealth of Nations. If it has, are we worthy?

Hon. Mr. HUGHES.

Leadership means unselfishness and sacrifices. But if it be God's will, and we correspond with that will, He will help us to carry the burden; and the reward may be very great, for nations, like individuals, do not live by bread alone. And here comes a thought that, after all, this depression may not be wholly bad. It will not be wholly bad if it teaches us to think, and to think seriously, on the eternal verities. There are signs of such thinking. Even the Russian experiment is not wholly bad, because it is an effort to recognize the inherent rights of man. Nevertheless, it is as certain to fail as that the earth will continue to turn on its axis; it is as certain to fail as that God is in His Heaven, because it is atheistic and God has said, "Without Me you can do nothing." I am old-fashioned enough to believe these things as firmly as I believe in my own existence. Perhaps out of it all the spirit of Christian socialism and the brotherhood of man may emerge.

The League of Nations was, to my mind, providential. It has had its difficulties. Could any sane person expect anything else? It was up against the ingrained selfishness of the nations, which selfishness had been developing for four or five hundred years, perhaps for a thousand years. If it were the work of God, the devil would certainly do what he could to destroy it; and his intelligence and power far exceed those of man.

Some of the nations say they will not surrender their honour—in other words, their pride—or any of their sovereign rights to the League. If they do not surrender some of these sovereign rights for the good of mankind, they may have to accept sovereign wrongs, and perhaps annihilation; for, after all, the sword is a poor dependence, as Germany knows to her cost.

The United States of America is rich and powerful. She has the power to prevent the proper functioning of the League of Nations. She has been exercising that power much, I think, to her own undoing and that of the rest of the world.

There are great movements operating. We are, I think, on the eve of tremendous changes. I am not without hope.

When the Prime Minister submitted the agreements under discussion to Parliament he closed his speech with the following declaration, or invocation:

Wider still and wider
Shall thy bounds be set.
God, Who made thee mighty,
Make thee mightier yet.

I shall paraphrase this declaration by saying:

God, Who made us mighty,
Will make us mightier still,
If we are prepared
To do His heavenly will.

Hon. A. B. GILLIS: Honourable senators, I wish to add to what has already been said my words of congratulation to the mover and the seconder of the Address. It is very fitting that the honourable dean of this Chamber (Hon. Mr. Poirier) should be chosen for the honour of moving the Address on this occasion. He, I understand, is the only remaining member of this Chamber appointed by the late Sir John A. Macdonald. He therefore constitutes a link that binds the early years of the Dominion with the present time. I did not understand the language in which he spoke, but I am looking forward to the time when the translation will appear, for I am sure I shall read his speech with profit and pleasure.

I wish also to extend my congratulations to the seconder of the Address (Hon. J. A. Macdonald). Both he and I were born in Cape Breton. The only criticism that I have to make of his remarks is that instead of speaking in French for a short time, as he did, he should have made use of his mother tongue and spoken in Gaelic. I think I might have been the only one in this Chamber who would have understood him had he done so.

I was glad that the honourable gentleman who has just taken his seat (Hon. Mr. Hughes) concluded his remarks with his usual little sermon. His speech would have been very dry had it not been for that fact. After quoting many dry figures he mellowed his remarks with a few religious lessons for us all. He is a past master in that field, and we all appreciate what he said in that connection.

I am going to refer to only one or two matters which have been dealt with in the Speech from the Throne. With regard to the railway situation I shall go back to its comparatively early history. In 1901 and 1902 we had an exceptionally good crop in the Prairie Provinces, and we had only one line of railway to the head of the lakes. In consequence of that fact there was what might be called a grain blockade. Farmers had to find storage for their grain as best they could, and many of them were compelled to hold it for a long time. This situation, of course, turned out to be a blessing in disguise, for those who were compelled to hold their grain secured a higher price for it later on, and there was no glutting of the market, as there would have been if there had been railway facilities. The thought of the benefit to be gained in this way was the idea behind the organization of the pools in the Western

Provinces. They intended to feed the market slowly, avoid glutting it, and so to secure better prices. Unfortunately, they were foolish enough to hold a large quantity of grain for too long a time, and as a result lost a great deal of money, and the provinces had to come to their rescue in order that they might be able to continue business.

The blockade to which I have referred caused considerable agitation, and we started in on a new era of railway building. The Canadian Northern Railway, which had a number of branch lines in Manitoba, proceeded to extend them both east and west. This was done by means of Government guarantees. In addition to that we had in 1903 the wonderful scheme of a transcontinental railway, extending from ocean to ocean, and the Grand Trunk Pacific was built. The country was told at that time that it would not cost any more than \$13,000,000, but we find that the sum of thirteen millions was only a drop in the bucket of its cost. The Canadian Pacific Railway double-tracked its line from the prairies to Fort William. So we had the Canadian Pacific, the Canadian Northern, and the Grand Trunk Pacific, whereas two lines would have been ample for our need. Furthermore, the Government of the day failed to consider the possibility of a great deal of our grain being shipped to the Pacific coast. I think I am safe in saying that at the present time at least one-quarter of the grain produced in the Prairie Provinces is shipped to Pacific coast ports.

Now, in addition to those railways, we have the Hudson Bay Railway, and while some things have happened in reference to it which may not please us very well, I am convinced that eventually it will be of great value to the people of Canada.

Hon. Mr. MARTIN: They do not think so in the East.

Hon. Mr. GILLIS: I am speaking of the West.

We have had three periods of railway building in Canada, and the Royal Commission on Transportation has stated that owing to the insane policy of building too many lines, which was carried on under the Laurier Government, more than 4,000 miles of railway that we did not require were constructed.

I do not wish to enter into the details of this matter, but I want to draw the attention of the House to a statement made by the leader of the Liberal Party in this country during the recent by-election in South Huron. The Right Hon. Mackenzie King, speaking at Seaforth on September 29, is reported in the Toronto Globe as follows:

In 1921 virtually everything pertaining to the Government-owned railway was in a state of bankruptcy and demoralization. Chaos reigned, properties for the most part, as respects road-bed, rolling stock and equipment were either out of date or out of repair, no co-ordination, practically no co-operation among the several systems, unification nowhere, duplication everywhere, traffic lessening and costs mounting.

Why did he not mention certain other things? Why did he not mention the fact that this country to-day is under obligation to the extent of two and one-half billion dollars by reason of expenditures on the Canadian National Railway System? Why did he not tell the electors of South Huron that the yearly interest bill is \$56,000,000—that every week the taxpayers of Canada have to pay \$1,077,000 in interest alone in connection with this huge undertaking? Why did he not tell them that from 1923 to 1931 the sum of \$22,000,000 was spent in building hotels, golf courses and other things of that kind? Why did he not tell them that with one exception none of those hotels or summer resorts were able to pay operating expenses? Why did he not tell them that not one of them ever paid a cent towards interest on the money expended on their construction? Why did he not tell them that more than \$16,000,000 were spent in purchasing branch railways that are to-day, and have been for a number of years, nothing more nor less than white elephants from which we need never hope to receive any revenue? And why did he not tell South Huron that his Government and the Laurier Government were responsible for all that expenditure and stupendous liability?

When Sir Henry Thornton was placed in charge of this wonderful scheme he was given a free hand. No restrictions of any kind were placed upon him, and he certainly took full advantage of his opportunities. What has he to say? I have read to you the statement made by the Right Hon. Mackenzie King in South Huron. We have to compare that with the statement contained in the first report of Sir Henry Thornton, presented to Parliament in 1922. Though he may have had his faults, we have to admit that Sir Henry Thornton is a railroad man. Railroading has been his life-work, and I imagine that he is as well qualified to make a report in regard to a system under his charge as any man in the country. I do not approve of certain of his actions or of his extravagances in connection with this road, but we must admit, I think, that anything he says in this regard should be taken as coming from a man of experience. Here is the report made by Sir Henry Thorn-

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ton in 1922. I shall read just a paragraph or two to show that his statement is not in accord with the statement of the Right Hon. Mackenzie King. On page 10 of the report I find the following:

On behalf of the Board, I would like to state that after inspection—

You must remember that he inspected the road from one end to the other.

Hon. Mr. CASGRAIN: What report is that?

Hon. Mr. GILLIS: The Annual Report of the Canadian National Railways for the year 1922.

On behalf of the Board, I would like to state that after inspection of the main arteries of the system, we find that the work undertaken has been well performed, and that the expenditures have been well applied. While the demands for capital expenditure on a system of such extent in a growing country, as the former Board stated, are never ending, yet it may now be said that the three groups of lines, until recently the Canadian National Railways, enter the consolidation in excellent physical condition and operating at a high mark of efficiency as regards actual performance or movement of traffic and other factors controllable by the management.

Right Hon. Mr. MEIGHEN: Hear, hear.

Hon. Mr. GILLIS: Sir Henry went on to say:

Apart from certain well known cases of duplication the lines are well located and in exceptional position to successfully perform the transportation demands of the country. The problem, as far as the lines covered by the report is concerned, is how sufficient traffic may be developed to carry the overhead and maintenance expenses.

As I have said, this is the statement of Sir Henry Thornton, made after a careful examination of the entire system from one end to the other. On the other hand we have the statement of the Right Hon. Mackenzie King, who is not a railway man and does not pretend to be. Did he ever get off a car at a divisional point to examine the condition of the road or the locomotives? Whatever knowledge he had of railway conditions was gained while riding in a Pullman car or in a private car of the Government.

Now I desire to make one or two remarks with regard to unemployment. It is unfortunate that conditions in this country are such as we have to-day, but as a matter of fact we are not worse off than most of the other civilized countries of the world; on the contrary, we are, I think, better off than most of them. If the huge sum of money that I referred to a while ago had been saved to the people of Canada they would be much better able to assist those who need relief to-day.

Responsibility for existing conditions is laid at the door of the Federal Government. But, as the honourable member from Pictou (Hon. Mr. Tanner) pointed out, it is the duty of every legislature, of every municipal organization, of the people of Canada, to come to the rescue. This is not a matter for the Federal Government alone. It has been doing everything in its power, and I am sure that, if we all get together and do what we can to help, conditions will improve in a very short time. The other day I was in the city of Hamilton, where a three-day community campaign was being carried on to help those in need. I presume the same kind of thing will take place in almost every centre in Canada. We must look after the needy. Prosperity is bound to return eventually. I believe that it will not be long delayed, and that again we shall experience many prosperous years in this Dominion of Canada.

Hon. G. LACASSE: Honourable members, I had not intended to speak on the Address in reply to the Speech from the Throne, but I feel that in a mild way I have been more or less provoked to do so.

I wish to join in complimenting the mover and the seconder of the Address. I desire particularly to pay my respects to the venerable representative from Acadie (Hon. Mr. Poirier). We always listen to his pronouncements in this Chamber with the greatest interest. My honourable friend, and brother in the medical profession, who seconded the Address (Hon. Mr. Macdonald), gave a good account of himself, especially in his recognition of the right of both the languages of this country to be used in this Chamber.

I wish also to pay my compliments to another honourable member, but not in exactly the same way. I listened with attention and some surprise to the speech delivered by my honourable friend from Pictou (Hon. Mr. Tanner). I venture to say that he always lives up to his name, because he does not seem to be able to resist a sanguinary inclination to go after somebody's hide,—and if we remember well what took place a few months ago we know that he should be well trained in that work. If I may make a further remark in this connection I would say that he should be complimented upon his great proficiency in that work, unless that inclination is more or less congenital.

To judge by his remarks, it would seem that the greatest problem now facing our country is not unemployment, nor transportation, nor anything but the question whether our honourable colleague from

Rougemont (Hon. Mr. Lemieux) is sufficiently well versed in the doings of the past to give us an historical lecture. One would think that was the outstanding issue in Canada to-day. I wish it were, and I am sure if it were we should learn a great deal from the intelligent statements of the senator from Rougemont. But I decline to follow my honourable friend from Pictou on the field of partizanship, and I also decline to follow on the same ground my good friend from Saskatchewan (Hon. Mr. Gillis). With reference to South Huron, I would say that the people of that constituency would probably have been much more enlightened and in a better position to form definite and clear opinions for themselves if my honourable friend had gone there himself and lectured them.

Hon. Mr. GILLIS: They would have been told the truth.

Hon. Mr. LACASSE: However, they were visited by a number of representatives from his party, but the result of the election indicates that after listening to them the people still thought the situation was most desperate.

I share the view of my honourable friend from Red Deer (Hon. Mr. Michener), and wish to say that I was extremely disappointed to see that one of the main problems facing Canada to-day was deliberately and systematically ignored in the Speech from the Throne. I refer to the great issue of unemployment. That is an issue about which I do know something. In 1930 our good people of Essex were told that their dinner pails would be full after three weeks of Tory administration, but after two and a half years of that administration the pails need not have any bottoms, for there is nothing in them. Unemployment remains our greatest problem. Yet, as I say, it was deliberately ignored in the Speech from the Throne. One thing that might have been mentioned in that speech, that might have been appropriately mentioned in almost every paragraph of it, is the dole, for that is the chief policy of the administration in office to-day. The Government is becoming a master in administering the dole and in giving it different names in an attempt to keep on fooling the people.

One of the chief causes of the existing distress in Canada is the persistent and wild raising of tariff barriers. In saying this I do not proclaim myself a 100 per cent free trader, but I do say that, in spite of various pronouncements from both parties in the past, we never before saw such a drastic appli-

cation of high protection. We are getting the results now, and these are much worse because of a situation that is universal. I will repeat here what has been said by a great economist who happens to come from France, a country which during the last campaign was often said to be one of the most prosperous in the world because it had a high tariff policy. That great economist is now giving lectures in Montreal, and he said that the first important step necessary for the relief of the present world-wide depression and the elimination of international mistrust is a move on the part of one of the major nations towards lowering tariff barriers. I should like it to be clearly understood that that great economist comes from a country that has one of the highest tariffs in the world.

Hon. Mr. LAIRD: What is his name?

Hon. Mr. LACASSE: Mr. Romier. I say that although I recognize that the remedies necessary for solving our present problems are as numerous and as complex as the causes underlying those problems.

I think also that there should be a very deliberate effort made towards the extension of credit to and the encouragement of small industries. I am not entirely opposed to public ownership, but I do say that powerful trusts and big mergers in industry, agriculture and trades are a great danger to the country. I feel free to make such a statement because in doing so I am in the company of a man whose authority my honourable friends opposite will acknowledge. I refer to the present Minister of Trade and Commerce, who two weeks ago in a speech on a public platform declared himself, much more emphatically than I can speak, against big mergers.

My principal reason for rising to-night was to protest in a mild way—for we all get older and more reasonable every day—against the trend of discussion in this Chamber. If we have to imitate here the style of the debates that take place elsewhere, my honourable friends on this side of the House are as well prepared as those opposite to participate. But I think that that kind of debate would not help to strengthen the independence of this House in the opinion of the people throughout the country.

Hon. J. P. B. CASGRAIN: If no other member will continue the debate I am ready to carry on. The honourable senator from Saskatchewan (Hon. Mr. Gillis) said a few moments ago that the farmers in the North-

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west had suffered a great deal of misery because of difficulties in getting rid of their wheat. They held back for higher prices that never were obtained. Well, if the Wheat Pool and the farmers of the Northwest wish to defy creation, they must take the consequences. If, forsooth, they had reached their goal, which was \$2 a bushel, the result would have been the greatest misfortune that could have happened to them, because every country in the world would have started the cultivation of wheat. That would have been a disaster for our grain growers, and it was the act of a merciful Providence that they did not get the \$2. I am perfectly in earnest when I say that.

According to the report of the Royal Commission on Railways—I suppose we may refer to it briefly as the Duff report—the sum of \$512,000,000 was expended prior to 1917 for the Intercolonial Railway, the Prince Edward Island Railway, the Hudson Bay Railway, and the National Transcontinental, and I was going to ask the honourable senator from Saskatchewan whether that figure was included in the two and a half billions to which he referred. But perhaps his right honourable leader (Right Hon. Mr. Meighen) is better prepared to give an answer. I am not asking the question as a joke, for I have gone through the report carefully and cannot find an answer to this question. Two and one-half billions is "some money." Could the right honourable gentleman enlighten me?

Right Hon. Mr. MEIGHEN: If the \$512,000,000 is composed of items constituting the original expenditure for the Intercolonial and the Grand Trunk Pacific, it would not be part of the two and a half billions.

Hon. Mr. CASGRAIN: Then this country is behind to the extent of three billions—two and a half billions plus \$512,000,000; so we are worse off than we thought we were.

Suivant l'usage antique et solennel, I wish to pay my respects to the mover and the seconder of the Address in reply to the Speech from the Throne. It was my great misfortune not to be here when those honourable members spoke. I was called elsewhere by important professional business. Judging by the praises I have heard, both speeches were good, and that of my honourable friend from Acadie (Hon. Mr. Poirier) particularly so.

I want to refer to the Duff report, because the right honourable gentleman opposite (Right Hon. Mr. Meighen) went to some length in referring to the Canadian National Railways and Sir Henry Thornton. He got a little heated about these subjects—a little hot under the collar. Well, I thought I would

forgive him, for if I were asked to point out who was the guilty person, who was responsible for putting the burden of the National Railways on the Canadian people, I am afraid I should have to point out the right honourable gentleman, because of what he did in another place. He handled the matter with great ability, and Sir Wilfrid Laurier, who liked to have a worthy foe in front of him, said that at last the Conservative Party had found a man. Our right honourable friend did the trick. He landed upon us the responsibility for what is to-day two and a half billions.

Hon. Mr. LAIRD: Was not the time that the responsibility was landed upon the country the time that the bonds were guaranteed by the Canadian Government?

Hon. Mr. CASGRAIN: I will answer that afterwards. At the present moment I do not see anything apropos in that question.

The report begins with a sort of history of transportation in Canada, but there is a gap. I do not want to speak disparagingly of the report, for I think it was prepared with great care. The members of the Commission were very able men, who spent ten months in studying our railway problems. They were assisted by all the experts they required, and they had every facility for carrying on their work, including the very best means of transportation from one end of the country to the other. But there is one thing that worries me more than anything else, and that is why they left that gap. The Drayton report, which was a very good one—I have made use of it several times—dealt with the situation up to 1917. The Duff report starts with 1923. Now, why is that? Did nothing take place during those six years?

Right Hon. Mr. MEIGHEN: Nothing much worthy of criticism.

Hon. Mr. CASGRAIN: Why ignore those six years like that? That question has puzzled me and kept me awake, because there must have been some queer goings-on during those six years. Yet, as I say, there is not a word said about them. Why did the Commission pick out 1923? That leaves only nine years up to 1931. They might have rounded the thing out and made it cover ten years anyway.

I should like to know, and shall insist upon knowing, what the receipts and expenditures of those railways were from 1917 to 1923. The report gives the figures for the years 1923 to 1931, but why is there that blank period of

six years? Might the explanation be that some of the gentlemen who were on the Commission did not care to have that period investigated? I do not know, but surely we should have some light on that. We should know what took place.

I remember, perhaps better than most honourable members, what happened in 1917, because with all the strength and vigour that I had then—and I had more than I have to-day—I opposed the taking over of the Canadian National Railway by the Government. I spoke for four and a half hours, giving some good reasons for my contentions. The other day the right honourable gentleman said there was nothing else that could be done. I tell him right now that he could have done something else, and nobody knows it better than he himself: he could have appointed a receiver. I have before me Hansard containing the letter of protest against the Government buying the Canadian Northern, prepared by Mr. C. S. Campbell, the greatest commercial lawyer of our time. He was the son of Sir Alexander Campbell, who at one time was leader of the Government in this House and Minister of Justice in Sir John A. Macdonald's Cabinet. That letter was signed by the principal people of Montreal, including the honourable gentleman who was introduced this evening. It is very pleasant for me to be able to welcome him so soon. Mr. A. J. Brown, K.C., a director of the Royal Bank and of many large commercial enterprises, and who is considered to be a great commercial lawyer and the confidential adviser of some of our biggest men—he signed that letter of protest. I did not think it would fit into my remarks so well.

Now, I may warn honourable members that I shall have to deal with this subject at considerable length, but if I cannot retain their attention I can at least rely on His Honour the Speaker, the Clerk of the House, the Sergeant at Arms, and the two leaders remaining in their seats.

Right Hon. Mr. MEIGHEN: You will need the reporters, too.

Hon. Mr. CASGRAIN: Of course, they are the principal people. The other day the right honourable gentleman spoke of the "tremendous riot of railway building" at the commencement of the present century. I do not blame him for this statement, because it has become a legend not only among Conservatives, but also among Liberals, that Sir Wilfrid Laurier and his administration built too many railways. Well, I purpose to give the right honourable gentleman the reasons why I believe that is not so, and I shall cite my authority for this belief. I have read the ~~pas-~~

age in the Drayton-Acworth report so often that I can quote it almost word for word. In that report it is stated that when Sir Wilfrid Laurier came into power there were 18,000 miles of railway in the country, or, roughly speaking, a mile of railway to every 300 persons. When he left office at the end of fifteen years as a result of the unfortunate reciprocity policy—I did not like it myself—that mileage had been increased to 24,000 miles. In other words, during that decade and a half 6,000 miles of railway were constructed. Now, I would not call that a “tremendous riot of railway building.” Would the right honourable gentleman?

Right Hon. Mr. MEIGHEN: Yes. The honourable gentleman forgets that many thousand miles more were contracted for. The bonds had been guaranteed by the country and the mileage had to be built.

Hon. Mr. CASGRAIN: The right honourable gentleman talked about the tragedy of the three transcontinental railways. Is he able to tell me of one dollar of money or one acre of land that the Laurier administration ever gave to Mackenzie & Mann to build their line west of Edmonton?

Right Hon. Mr. MEIGHEN: No; it guaranteed the bonds instead. The only road built that was not guaranteed by the Laurier Government was the Pacific extension of the Canadian Northern; and that has turned out to be the greatest boon in the way of railway building that this country has known in thirty years.

Hon. Mr. CASGRAIN: Just so; and if Mackenzie & Mann had been content to confine their railway operations between the foot of the Rocky Mountains and Lake Superior they would certainly have had the best revenue-producing system in the Dominion. But they were ambitious to build a transcontinental line, and at tremendous expense they built west of Edmonton and paralleled the Government road for some 360 miles. Sir Wilfrid Laurier never authorized them to do that, and surely he cannot be blamed for the building of three transcontinental railways when he was so strongly opposed to the Mackenzie & Mann project.

I hope the right honourable gentleman will not gainsay the Drayton-Acworth report. At page x of that report he will find this passage:

The growth of the mileage has far outstripped the growth of the population. In 1901, with a population of 5,371,315, Canada had 18,140 miles of railway in operation; roughly, a mile of railway for every 300 inhabitants. In 1911 the population had in-

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creased 34 per cent to 7,206,643, while the mileage had increased by 40 per cent to 25,400 miles; a mile of railway to every 284 inhabitants.

This means that during those fifteen years the flow of immigration was sufficient to maintain practically the same relation of population to railway mileage. Fifteen years before we had 300 persons per mile of railway, and at the end of that period we had 284 persons per mile of railway—a reduction of only 16 persons. Surely this does not warrant the right honourable gentleman’s “tremendous riot of railway building.”

Now, the railway mileage contracted for would never have been constructed had it not been that subsidies were granted by the administration that took office in 1911. To make matters worse, our population was practically at a standstill. The Drayton-Acworth report proceeds:

Since 1911 the population has, it is understood, not much increased, but the railway mileage open and under construction has grown to 40,584 miles. In other words, Canada has to-day, taking the present population as 7,500,000, only 185 inhabitants to support each mile of railway.

That is the unlucky part of the Conservative Party: when it comes into power very few immigrants apparently want to come to this country. By contrast, when Sir Wilfrid Laurier was Prime Minister as many as 400,000 immigrants entered Canada in one year. I have quoted the Drayton-Acworth report showing the increase of railway mileage from 25,000 to 40,000 in six short years. Was the “tremendous riot of railway building” before or after 1911? I always like to emphasize this fact, because, as I have said, it has unfortunately become a legend that Sir Wilfrid Laurier and his administration built too many railways. Well, when he went out of office in 1911 we had 24,000 miles of railway; and I think that if the mileage had been left at that figure the country could have got along without any great inconvenience.

But even under the present administration, during the past year, 774 miles have been added to our railway mileage. I should like to know the reason for this additional mileage. Per head of population we have nearly twice as much railway mileage as the United States. They have 400 people to every mile of railway; taking the last census, we have 232 people to each mile. Yet we are still building. At the present time we have under construction some 700 miles of railway. When is this “tremendous riot of railway building” going to stop? Now is the time to call a halt.

The Duff report contains a short historical survey of the development of transportation in Canada. A hundred years ago we had about 6,000 miles of what were known as post and military roads, and also a system of waterways including the Lachine, the Rideau and the Welland canals. These were the only means of transportation until 1850, when there were only 66 miles of railroad in Upper and Lower Canada. During the next ten years there was some railway construction, all done with British capital. Very rigid conditions were imposed on English railway promoters, and during the decade following 1850 the Grand Trunk Railway spent \$30,000,000 on railway construction in Upper and Lower Canada. On this huge capital outlay the investors have never received a cent of interest, but this country has enjoyed the benefit during the past eighty years.

Now, if I speak at some length on this matter it is because I have been more or less connected with railroading all my life. In 1874 I was on the survey of the Canadian Pacific line. The following year I was engaged on construction work on the Kaministiquia river, three or four miles from the spot where the old fort stood. Years later, when I revisited the district, I thought it a great shame that only a small monument marked the site of the old fort, which in the meantime had been utilized for railway yards. Probably the right honourable member for Eganville (Right Hon. Mr. Graham) will recall the steel rail scandal. It appears that Sir Alexander Mackenzie bought some steel rails from his brother, in anticipation of some railway construction, because they were cheap at the time. This was magnified by the Conservatives, but of course it does not take much for them to manufacture a scandal at the expense of the Liberal Party. In 1882 I was back in the Northwest surveying townships from Winnipeg to Red Deer, at the foot of the Rocky Mountains. From 1900 to 1910 I was in charge of 100 miles of railway to protect the interests of the bondholders. I mention these things to demonstrate to honourable members that I know a little of what I am talking about. Of course, it is easy for some honourable members of the Government to be familiar with these things, for they gather their information with the aid of experts paid by the country, while enjoying the emoluments of office. On the contrary, I have secured my information single-handed, in my leisure moments and without emoluments—which is not so encouraging.

I have said that the Conservatives were unlucky when they came into office. I am

sorry that they are unlucky; nevertheless it is true. Everybody knows what a boom there was in this country for ten years before the present administration came into office. We overbuilt and we overbought. We all had great confidence in the country, and everybody thought there would be no end to prosperity. But there is always a change. The Conservative Government came into power, and the value of stocks and everything else went down, and though the present Government has been in power for only a little more than two years, you see where we are to-day.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. CASGRAIN: You may think that this situation is exceptional; you may say that the present depression is world-wide; but let me give you another instance of the same kind. The reign of Sir Wilfrid Laurier, prior to 1911, was a golden era for Canada. Money was plentiful throughout the country. No such condition had been experienced before. One day I heard two big Scotchmen talking in front of the Rideau Club. One of them said to the other: "There goes Laurier. I never gave him a vote, but he is the boy to make money go around." Then the Borden Government came into power, and you know what happened: I told you what Sir Henry Drayton said about nobody coming to the country, and population not increasing. Taking the C.P.R. stock as a barometer—and it is a pretty good barometer; of course it is very low just now—you will find that in 1893 it was selling at 32, 33 and 34, but that when Laurier came into power, shortly afterwards, it commenced to go up, and it went up and up until it was very close to 300. Being an engineer, I made a profile to show the situation. Here it is. Here is the time when Laurier came into power, and here is C.P.R. going up and up and up. Here is the point at which Borden came into power, and here is the C.P.R. going down, down, down.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. CASGRAIN: You can verify it. The ticker will prove it. Here is Mackenzie King in power, and C.P.R. goes up. Here again is a change of government, and down it goes. If that is not bad luck I should like to know what it is.

I will give you another instance. Shortly after Sir John A. Macdonald came into power on the 18th of September, 1878, he introduced the National Policy. Everybody thought it was a good thing. I may tell you that personally I have always been inclined towards

protection. But protection is like certain remedies that doctors give to people who are very sick; they may be poisonous, and if the dose is too strong they may be fatal. Sir John A. Macdonald made the dose too strong, and he nearly killed the country. In 1888 and 1889, as a land surveyor I was engaged in making a cadastral survey in the townships of Compton, Whitton and Clifton, in the county of Compton. The dimensions of our townships are ten miles by ten miles, so that I had to cover three hundred square miles in the three townships. In making this kind of survey the surveyor has to find the owner of every parcel of land in every township, and no matter how small the parcel may be, a cadastral number, which is recognized by the Government, must be given to it. It is an excellent system, one that I have often advocated to the Ontario land surveyors. I remember when it was introduced by Hon. J. A. Chapleau, of Quebec, a Conservative. Strange to say, he had taken it from Rumania. I undertook this work nine years after the introduction of the National Policy, and I found it very difficult to get the names of the owners of the various parcels of land. I would go to a farm and would find a padlock on the door and boards over the windows; the family had gone to the United States. Then I would have to go to the next farm, or the next one, or sometimes to the next one, in order to find someone who had remained in the country. As I say, that was nine years after the National Policy was introduced. The dose must have been too strong.

Those are two or three instances in which the policies inaugurated by the party supported by my good friend from Grandville (Hon. Mr. Chapais) turned out to be unfortunate. After the death of Sir John Macdonald a great deal of trouble occurred—a nest of traitors, and all sorts of disagreeable things that I hate to mention.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. CASGRAIN: It is no laughing matter.

Hon. Mr. DANDURAND: It was not at the time.

Hon. Mr. CASGRAIN: On top of that there were all kinds of scandals. The Beauharnois people, compared with the people of the earlier days, could not qualify for the kindergarten. There was the McGreevy scandal, as a result of which McGreevy, a member of Parliament, went to jail. The Connolly scandal was another, as

Hon. Mr. CASGRAIN.

a result of which Connolly went to jail right here in Ottawa. Then there was the Curran Bridge scandal, to which I should like to refer later; also the Bancroft scandal. Hon. G. Israel Tarte came to Montreal and told us all about these scandals, and the Liberal Party took him in and elected him to Parliament for the county of L'Islet—my own father's constituency for many years.

The Curran Bridge spans the Lachine Canal—it is there yet—and is made of stone and iron, and is 220 feet long. It is almost incredible, but there is the evidence of a Royal Commission to show that 3,600,000 feet of lumber were supposed to go into that bridge. I will tell you how it was done. A load of lumber would be taken around the block, and a cheque would be issued for it, and then it would be taken around the block again, and again. If the quantity of lumber that was said to have gone into the bridge had been piled up on the site of the canal there would have been no room in it for the water.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. CASGRAIN: It would have taken 360 cars, or a train two miles and a quarter long, not including the space for the locomotives, to carry such a quantity of lumber. This took place just prior to 1896. Later there was a change of government and Sir Wilfrid Laurier came into power.

But to come back to the right honourable gentleman (Right Hon. Mr. Meighen) who spoke of being able to do nothing about the appointment of a receiver. I do not know why a receiver could not have been appointed. The new senator (Hon. Mr. Brown) took the same view, and he was not the only one. But I suppose that it would not have done to have a receiver, because people are so wicked that they say all sorts of things.

There were \$147,000,000 of doubtful debts, bonds and all sorts of things, guaranteed by Mackenzie & Mann. Perhaps my right honourable friend who leads the House (Right Hon. Mr. Meighen) does not know the story of a syndicate that went about securing options on claims against Mackenzie & Mann. They would go to a man and say: "You have a claim against Mackenzie & Mann? How much do you want for it?" If he said, "I don't know. What will you give?" they would say: "Well, what we will do is this. Give us an option on your claim, with the right of renewal, and we will pay you so much a month for six months." If my honourable friend from De Salaberry (Hon. Mr. Béique) would take the trouble to look into the records of his bank he would find that some of these bonds were sold at thirty cents on the dollar,

with the coupons. But no receiver was appointed, and the minute the Government took over the railway those bonds were worth par and the coupons were worth full value. Buying a railway is somewhat like buying a house—you are responsible for the mortgages on it. No wonder the right honourable gentleman was excited the other day. No doubt he was sincere, but what he had done must have haunted him. Did he know that there were \$147,000,000 of these bonds and doubtful accounts?

Some years ago, in the course of a long speech, I made a statement that has never been contradicted. When I was finished someone wanted to answer me, but, I am informed, Sir James Lougheed said: "Keep quiet. Probably that fellow is right. Let us vote." If the railroad had gone into the hands of a receiver everyone would have had to prove his claim, and there would have been priorities.

Now, on page 14 of this report I see the sum of two and a half billion mentioned, and I want to give a few figures. There are these items: investment in Government railways, \$390,000,000; deficit, \$52,000,000; working capital, \$15,000,000; cash subsidies, \$44,000,000; cash loans, \$639,000,000; deficit on Eastern lines—the Maritime Provinces—\$26,000,000; acquisition of Canadian Northern stock, \$10,000,000. And for what? Stock that was not worth a cent. To that you must add \$48,000,000 for the Hudson's Bay Railway, and outstanding liabilities, making a total of \$2,536,000,000. And we are still building railways! If you add to this total the \$512,000,000 that I have already referred to, it will make a grand total of \$3,000,000,000.

On page 15 there is a comparative statement of the earnings of the Canadian National and the Canadian Pacific railways. We find that for the period from 1923 to 1931 the Canadian National Railways earned from freight \$1,714,000,000, and from passengers \$321,000,000. On the other hand, we find that the earnings of the C.P.R. were from freight \$1,278,000,000, and from passengers \$303,000,000. If you look at these figures at your leisure you will observe that out of every \$5 earned by the Government railways \$4 was from freight and \$1 from passengers, whereas in the case of the C.P.R., out of every \$4 earned \$3 was from freight and \$1 from passengers. In other words, only twenty per cent of the receipts of the old Grand Trunk or the Canadian National came from passenger earnings, while in the case of the Canadian Pacific Railway they constituted twenty-five per cent.

For carrying mail the Canadian National Railways received \$33,000,000; the C.P.R. \$34,000,000. Can anyone tell me how it was

that the C.P.R. got \$34,000,000 for this service when the Government road was meeting the Empresses at Quebec? The express earnings of the C.N.R. amounted to \$124,000,000, and those of the C.P.R. to \$97,000,000. If you take into consideration the fact that the mileage of the C.N.R. is seven thousand miles greater than that of the C.P.R. you will realize that these figures are not out of proportion. To me the marvel of it all is that under public ownership the Canadian National Railways should have done so well. Fancy the energy and the work that must have been necessary to bring in \$2,337,000,000 in nine years. The old I.C.R., which has been running now for nearly sixty years, never made so much money in all its existence.

However, it cannot be denied that Sir Henry Thornton had the knack of keeping all the employees in his service right on their toes, looking for business, from morning to night. If they heard that anyone intended to go on a trip they were at his office to sell him an ordinary ticket, plus a Pullman chair, or a sleeping-car ticket, or whatever was required. Of course, the kind of service that they had cost money. But they got the business. In short, the way in which the entire system was rehabilitated was something marvelous.

The upshot of the thing was that the Canadian National Railways netted \$281,000,000 to the good, and the Canadian Pacific Railway \$412,000,000. But of course we must remember that the Canadian Pacific was one institution, one company that operated as a unit, whilst the other comprised roads that were built to compete with one another.

I think that the service given by the Canadian National was too luxurious, too good, and I do not approve of the immense sum of money that was spent in providing that service. But I ask—in the presence of a director of the Canadian Pacific—if the Canadian National was wrong in spending so much money that way, why should the Canadian Pacific have tried to imitate it? If the Canadian National got a luxurious train with a solarium at the end of it, the Canadian Pacific got one too. If the Canadian National came to Parliament and received authority to build railway lines into some part of the Rocky Mountains where fruit is grown, but very few people live, then the Canadian Pacific did the same thing, although there may not have been enough business available in the new district to keep one line going. Every time that one company made a demand here the other followed suit. We all remember that in one session the Canadian National asked for authority to build no

fewer than twenty-nine branch lines, and the Canadian Pacific wanted to increase its mileage to the same extent.

Our railways have over-built. What the outcome will be I do not know. I hope the report will do good, but I have my doubts. The report recommends the appointment of a body composed of representatives of both railways. Well, on the 21st of April last year I moved from my place in the House:

That in the judgment of the Senate, in order to give immediate relief by eliminating some duplication in the service of the Canadian railways, pending action by the Commission presently investigating the Canadian railways, a committee composed of an equal number of present officials from the Canadian Pacific and the Canadian National Railways, be formed, and elect an umpire. Failing to agree in their choice, the Supreme Court of Canada shall appoint this umpire.

Perhaps the members of the Commission never saw my motion, but it strikes me that their suggestion is similar to mine, only not as good. Under my proposal each railway would have chosen a number of the best men in its service to represent it on the committee, and such a committee would have selected as an umpire a man who is better qualified to deal with the railway situation than any judge or legal gentleman can be. The man chosen by this committee would have had great technical knowledge; in any question concerning both railroads he would have known which was right and which was wrong.

On page 16 of the report the net incomes of the roads are given, but always from 1923. The figures for the Canadian Pacific Railway are:

1923..	\$45,394,457
1924..	43,378,187
1925..	47,832,609
1926..	52,670,173
1927..	48,008,141
1928..	61,864,295
1929..	55,573,280
1930..	52,467,008
1931..	30,267,126

It will be seen that the net income was cut by more than half between the years 1928 and 1931. On the other hand, in 1923 the interest that the company had to pay on its bonds was nearly \$11,000,000, and by 1931 it had increased to nearly \$19,000,000. That is, roughly, an increase of 80 per cent in those nine years; it is not necessary to go to night school to calculate that.

The net income figures for the Canadian National Railways are:

Hon. Mr. CASGRAIN.

1923..	\$13,501,649
1924..	14,772,328
1925..	30,443,853
1926..	41,586,242
1927..	36,325,419
1928..	44,449,780
1929..	32,095,275
1930..	15,730,227
1931..	(deficit) 5,282,650

In 1931, it will be noted, there was a deficit of \$5,000,000. But is it surprising that a public ownership road should have a deficit when the income of the Canadian Pacific Railway was reduced by 50 per cent between the years 1928 and 1931? I have no apologies to make for the Canadian National, but we must remember that on account of the unemployment situation that railway actually kept on in its shops a large number of men who really were not needed, simply in order to give them work. Sir Henry Thornton said publicly that he could not dismiss them, because if he did they would starve, and he thought the depression would not last long.

It will take me some little time to finish, and as the hour is rather late, I should like to adjourn the debate until tomorrow, if I may.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Friday, October 21, 1932.

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

Prayers and routine proceedings.

DISTURBANCE AT PORTSMOUTH PENITENTIARY

Before the Orders of the Day:

Hon. Mr. DANDURAND: Honourable members, this morning's newspapers carry alarming news of a disturbance at the Portsmouth Penitentiary, Kingston. Can the right honourable leader give us some information concerning the matter?

Right Hon. Mr. MEIGHEN: I received an intimation from the honourable senator just a moment before I came down to this Chamber. Not being a persistent reader of the press, I had not heard of the disturbance to which reference is now made, though I had, of course, heard of the one that occurred

some days ago. I could not add to what was said in another place as to the first disturbance, and I can say nothing about this. I shall, however, be prepared to make a statement at the next sitting of this House.

THE PRICE OF COAL

Before the Orders of the Day:

Hon. CAIRINE WILSON: Honourable senators, I should like to call attention to an article that appeared in the Toronto Mail and Empire of October 8 concerning an alleged combine in respect to British anthracite. This article states that the matter had already been referred to the branch of the Department of Labour that looks after the administration of the Combines Act, and that was before the matter was brought to the attention of this House by the honourable senator from Rougemont (Hon. Mr. Lemieux).

Right Hon. Mr. MEIGHEN: I intended to refer to-day to the statement made some days ago by the honourable senator from Rougemont (Hon. Mr. Lemieux). The only thing I can add to what I said at that time is this: I have taken the matter up with the Minister of Labour, referring to him the allegation of the honourable senator, and he advises me that the Dominion Fuel Board keeps constantly in touch with costs and prices, not only of Welsh anthracite, but of all fuels under consumption in Canada, that the Board is giving special attention to the matter now, in view of the request of the honourable senator, and that at a later date some informative and useful data will probably be supplied to the House. I think, from what information I can get, that all fears are not quite justified.

Hon. RODOLPHE LEMIEUX: Honourable senators, may I say to the right honourable gentleman that the Labour Council of Ottawa passed a resolution yesterday praying the Government to start an investigation in this matter. There is great excitement prevailing. I do not say this because I believe there is a combine, but it is the general impression that there is. I made some inquiries in Montreal respecting British anthracite and was informed by a man who occupies a high position in the Government service that the cost of coal landed on the Harbour Commission's wharf in Montreal is \$5.30. Of course I realize that some charges for screening the coal and delivering it to operators and to customers have to be added to this cost, but the public cannot understand the reason for the large spread between, let us say, \$8 or \$9 and \$16 or \$17. As the Minister knows very well, we have on the Statute Book a Combines Act,

under which the Registrar, on the initiative of the Government, or, better, of the Minister of Labour, can institute an inquiry. That is all that the public want, an inquiry to ascertain whether or not it is true that there is an arrangement among the coal operators with a view to keeping up the price of coal.

I repeat what I said the other day, that personally I have no evidence. I am simply giving to the House the impression that exists among the public, and I think it is the duty of the Government to dispel that impression if it is a false one.

Right Hon. Mr. MEIGHEN: The Act to which the honourable senator refers is the Combines Investigation Act. Certain steps are open to any person who desires to invoke that Act in this or any other case, and I have not the least doubt that if the necessary steps were taken the Act would be invoked in this instance, as in any other. In the meantime, the thought has occurred to me that as we are not too busy in this House in the early part of the session, we might add to our usefulness by doing a little of this work ourselves, if we are at all alarmed or curious.

Some Hon. SENATORS: Hear, hear.

Right Hon. Mr. MEIGHEN: I would offer no objection at all; in fact, I would welcome a move along that line by those who are especially interested in the subject. I could take steps myself, but a move on my part might take the glory from someone else, and, besides, might indicate that I shared in the general fear. Had I reason to move I certainly would, but so far I have had no reason to do so. I wish merely to intimate now that instead of expecting others to move without the necessary steps being taken under the statute, we might move a little ourselves.

ADJOURNMENT OF THE SENATE

Right Hon. Mr. MEIGHEN: Possibly it would be of help to honourable senators that I should now make a motion which ordinarily would be made later in the day. The motion is:

That when the House adjourns to-day it stands adjourned until Thursday next at eight o'clock in the evening.

The progress of legislation in the other House does not seem to be very rapid, and it is impossible for myself or anyone else to estimate when legislation may be in a position to be transmitted to this House. There may be some by next Thursday. It is also hoped that at that time very important legislation may be initiated here. Hence the selection

of the date. I wish I could speak more positively as to both elements in the decision, but I cannot go further.

The motion was agreed to.

THE GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY

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

Hon. J. P. B. CASGRAIN: Honourable members, I crave the indulgence of the House once more, and may I suggest to my honourable colleagues that while we are waiting for the other House to send us legislation we may just as well save time by considering matters that are likely to come before us. If I am rightly informed, a Railway Bill based on the report of the Royal Commission to inquire into Railways and Transportation in Canada—which report, for the sake of brevity, I have called the Duff report—will be introduced by the right honourable leader of the House when we reassemble next week. Well, I promise honourable members that when that Bill is presented for our consideration I will not repeat anything that I may have to say now in discussing the Duff report. Therefore I think we shall employ our time well if to this extent we get in advance even of the progressive Government that we have to-day.

Right Hon. Mr. MEIGHEN: Hear, hear.

Hon. Mr. CASGRAIN: I have been asked by some of my colleagues to explain the letter of protest to which I referred last night. They said I spoke so quickly and jumped from one subject to another so abruptly that they could not follow me. So I think they are really entitled to some explanation. I should like to call the right honourable gentleman's special attention to the fact that this letter is not of my making at all, but was drafted by that distinguished lawyer Mr. C. S. Campbell, who, as I stated last night, was the son of Sir Alexander Campbell, at one time leader of the Government in this House and Minister of Justice under Sir John A. Macdonald.

I intend to read only short extracts from the letter of protest.

The purchase of a defined piece of railway property is one thing. The buying of stock in a company with unascertained assets and unknown liabilities is another.

Right Hon. Mr. MEIGHEN.

Right Hon. Mr. MEIGHEN: Would the honourable member not read the whole letter? The author, Mr. Campbell, is not here to-day; so he cannot be humiliated.

Hon. Mr. CASGRAIN: I should like to read the whole letter.

Right Hon. Mr. MEIGHEN: There may be some of it that time has destroyed.

Hon. Mr. CASGRAIN: Very well.

The Government Bill to authorize the purchase by it of the capital stock of the Canadian Northern railway is half-way through the House of Commons and will shortly be in the Senate. If it becomes law, it will impose on Canada, at a time when the country is under an unprecedented strain—

That was during the War, in 1917.

—a burden of unknown magnitude, one certainly greater than any ever before imposed upon this country, with the exception of the war debt.

The purchase of a defined piece of railway property is one thing. The buying of stock in a company with unascertained assets and unknown liabilities is another. Once the Government becomes the principal owner of the common stock, it must provide out of loans or taxes for all the debts of the railway due or to become due and for all future losses in operating. The estimates of expenditure still necessary to be made run into enormous figures.

That is prophetic. That was written in 1917.

No one knows what the real extent of its obligations are. The railway has bonds outstanding and debts unpaid; so have its subsidiaries. There are guarantees given by it to other companies, unpaid balances on contracts and upon accounts, but to what extent is unknown.

What its assets are is equally unknown. It operates and is interested in railway companies, land companies, telegraph companies, tunnel companies, lumber companies and hotel companies. But no one knows how far it owns them, what their assets or liabilities are, nor to what extent the railway company is responsible for their liabilities.

No other railway company nor any other group of business men would consider such an acquisition except after elaborate examination and reports from accountants and appraisers on the assets and liabilities, and then only subject to a solvent guarantee that all supposed assets would be delivered and that no undisclosed debts or obligations would appear.

Right Hon. Mr. MEIGHEN: Does the honourable gentleman say that that is true, that the assets and liabilities were not known?

Hon. Mr. CASGRAIN: I do not say it is true, but I believe it is.

Right Hon. Mr. MEIGHEN: They were not only definitely and completely known, but definitely and completely revealed, and time has shown the revelation to be correct.

Hon. Mr. CASGRAIN: Very good. The right honourable gentleman asked me to read the letter.

Right Hon. Mr. MEIGHEN: I wanted to say something.

Hon. Mr. CASGRAIN:

To find out these things, where such examinations and guarantee cannot be had, the usual course in the United States has been to place the road in the hands of a receiver, whose staff can ascertain them and place before those interested an accurate and clear statement.

I do not think that was done.

Right Hon. Mr. MEIGHEN: Absolutely.

Hon. Mr. CASGRAIN: I made a long speech on that, and those who were in the House at the time will remember that Sir James Loughheed admitted that people here were investigating books that were in Winnipeg.

Systems quite as large, notably the Union Pacific, the Atchison, Topeka and Santa Fe and the Rock Island, have in the United States been through this process and have emerged from it with capital written down to correspond to the actual values in a solvent condition and able to perform their duties as public servants.

The only examination so far had into the affairs of the Canadian Northern has resulted in the opinion of two of three railway experts that the stock proposed to be purchased was worth nothing. That means that whatever its nominal value may be, the unsecured debts are more than enough to prevent its being sold to any reasonably prudent purchaser. In view of the fact that no money was paid to the company for the stock and that the company has never been able to earn anything upon it, there was and is no reason to expect any other result from examination.

No agreement or obligation to purchase is produced.

I think the right honourable gentleman will admit that.

Right Hon. Mr. MEIGHEN: Obligation?

Hon. Mr. CASGRAIN:

No agreement or obligation to purchase is produced. In fact, nothing has transpired except verbally, and then between members of the Government not named and persons whose names are not disclosed. In fact what is to be paid, who is to get paid for it, what the cost and the attendant obligations are, no one knows. The smallest transaction in common life could not be concluded in such a way, and any attempt to do it by trustees responsible to a court would unquestionably be a breach of trust, and this is the largest and most onerous undertaking ever contemplated by any Canadian Government, and the most risky. It is safe to say that no road capitalized above its earning power can ever be a useful public servant, nor can any road bought by a Government for more than its worth ever be anything but a continuous drain on the taxpayer.

The Canadian Northern railway was built as a private speculation. Its bonds were sold to financiers at a discount. No money was received into its treasury for its stock. Nothing has been made public which would justify the taxing of other citizens of this country for the purpose of giving fictitious value to these bonds and stocks.

I suppose I may dispense with that part of the letter which alludes to borrowing money in New York at a very high rate. I pass that and read the conclusion:

The undersigned, all of whom, as investors, have a stake in the prosperity of this country, desire to call the attention of their fellow-countrymen to the grave risk they all are running of having their own earnings diverted for the purpose of securing profits to bondholders and stockholders of a concern, the equity in whose enterprise has been declared by the only people at all in a position to form an opinion, to be of no value. It is also urged that the strongest possible protests be made before it is too late to all senators and members of Parliament.

The names follow. I need not give them; anybody can see them in the Senate Hansard of 1917. I think the list included the names of the directors of every bank in Montreal except the Bank of Commerce.

Right Hon. Mr. GRAHAM: The honourable gentleman ought to put them on record for the future.

Hon. Mr. CASGRAIN: They are already on record. Of course, if one makes a bad speech it goes on record in Hansard and he never hears the end of it; but if he makes a decent speech it is embalmed in Hansard, and it is as dead as the oldest Egyptian mummy. However, we will try to resurrect the mummy.

First is F. W. Molson, a director of Molsons Bank, a director of the City and District Savings Bank, and a very prominent man in Montreal. The next is Huntley R. Drummond, a director of the Bank of Montreal, president of the Canada Sugar Company, and a son of the late Sir George A. Drummond, for many years one of the strongest Conservatives in this House. When there are Conservative gatherings in Montreal he is always the first to be there; nevertheless he saw fit to send this protest to the Government.

My right honourable friend did not heed it.

These big business men do not put their names on paper before the public unless they think there is a big emergency. The next name is Zeph. Hébert, President of the Board of Trade of the City of Montreal, President of Hébert & Company, one of the largest wholesale houses in this country, which has a turnover in excess of \$3,000,000 a year. Next is Mr. A. J. Brown, K.C., director of the Royal Bank and of many large commercial enterprises, a man who is supposed to be a great commercial lawyer and the confidential adviser of some of our biggest men in Montreal.

Some of you may guess who these men are.

I have known men of very great importance who have said that unless A. J. Brown put his initials to a document it would not do.

In passing, let me say that I think that the honourable gentleman (Hon. Mr. Brown) is an acquisition to the Senate, and that the Government should be commended for making such a good appointment. He is one of a class of men who are specially fitted for service here, and I informed him that because he has taken the oath he cannot refuse to give us legal advice free of charge. I walked across the floor to remind him of that, so that he would not forget it.

The next is H. A. Ekers, who was mayor of Montreal by acclamation, a very popular man in Montreal, twice Conservative candidate in that city, and even at the risk of displeasing his party—and I am sure he would not like to do that under the present circumstances—he put his name to this letter.

I may say that he was then trying to get an appointment as a senator, and it must have been a very difficult thing for him to blame the Government under those circumstances.

Next is Mr. Charles Chaput, President of Charles Chaput & Co. Then there is Mr. Charles Meredith, President of Meredith & Co., the leading bond house in Montreal. To show you the importance of this company, I may say that its vice-president is Sir Charles B. Gordon, vice-president of the Bank of Montreal, who was singled out for honours by His Majesty for services rendered during this war. The next is C. S. Campbell, K.C., the great commercial lawyer, a son of Sir Alexander Campbell, who at one time was leader of the Government in this House, and Minister of Justice under Sir John Macdonald. Then there is W. R. Miller, who was last year president of the Board of Trade of Montreal, and president of the Edwardsburg Starch Company. Then there is George Caverhill, a director of the Montreal Light, Heat and Power Company, president of Caverhill, Learmont & Company, the largest and oldest hardware company in the district.

Mark you, all these men are good Conservatives. There is not a Grit among them; not one of them was ever known to give any but a Tory vote.

The next name is that of William McMaster, who is a very important man, a director of the Bank of Montreal and president of the Canada Explosives Company, a man who is doing business with this Government and with the Munitions Board; still he did not hesitate to tell the Government what he thought. The next name is H. W. Blackwell, vice-president of the Merchants Bank and vice-president of the Steel Foundries.

Then Sir James Lougheed asked:

Are there any ordinary, every-day citizens on the list?

I replied:

No; I think they avoided getting any but the most prominent names. Next is Andrew J. Dawes, a director of the Merchants Bank and president of the National Breweries.

Senator McMeans then inquired:

Are there any prominent men outside of Montreal?

To which I replied:

There is my honourable friend from Winnipeg (Hon. Mr. McMeans.) The next name on the list is Robert Hampson, president of Hampson & Sons. F. Howard Wilson, director of the Merchants Bank and the Montreal Tramways. James Morgan, president of Henry Morgan & Company, a company which occupies a position in Montreal somewhat similar to that occupied by Eatons in Toronto. George E. Drummond, a director of the Molsons Bank. I have named the activities of these gentlemen from memory. They are all good Conservatives, with the exception perhaps of one. I venture to say that not more than one of these men, if they voted, voted for Sir Wilfrid Laurier at the last election.

Right Hon. Mr. MEIGHEN: We were representing the common people.

Hon. Mr. CASGRAIN: Evidently. That was one time when the Conservative Party was not with the interests. It ought to be noted.

Now, shall I proceed with the reading of the letter?

Hon. Mr. MARTIN: A waste of time.

Hon. Mr. CASGRAIN: All right; but I have been asked by your leader to read it. I am quite willing to give up.

Some Hon. SENATORS: Go on.

Hon. Mr. CASGRAIN:

No agreement or obligation to purchase is produced. In fact, nothing has transpired except verbally, and then between members of the Government not named and persons whose names are not disclosed.

I think that these explanations are sufficient, and that my colleagues who asked for information about the purchasing of the Canadian Northern Railway's stock have got all the information they want.

Reverting now to the report, I shall continue from where I left off last night. On page 19 of the report is a statement of capital expenditures for the period 1923-1931, as follows:

	Canadian National		Canadian Pacific
	\$	\$	\$
1. New lines constructed or acquired:			
a. In Canada.....	89,508,940		70,414,666
b. In United States.....	2,127,940		
		92,036,880	
2. Montreal terminal development (Chapter 12, 1929).....		14,636,877	
3. Additions and betterments to roadway—			
Canada.....	108,745,244		79,605,428
United States lines.....	33,766,047		
Central Vermont.....	7,431,807		
Separately operated railways.....			4,630,304
Total additions and betterments to roadway.....		149,943,098	84,235,732
4. Rolling Stock—			
Canada.....	120,873,277		65,964,010
United States lines.....	7,319,141		
Central Vermont.....	4,802,403		
		132,994,821	
5a. Lake and River Services—			
Canada.....	2,639,143		178,254
United States lines.....	1,960,151	4,599,294	
5b. Railway Telegraphs—			
Canada.....	1,831,291		
U.S. lines.....	545,868		
		2,377,159	
Total rail and inland water lines.....		396,588,129	220,792,662
6. Investment in railways jointly owned by the two systems.....		17,935,558	16,559,800
7. Coastal Services.....		7,201,117	6,339,304
8. Hotels.....		22,153,824	46,887,999
9. Commercial Telegraphs.....		5,960,760	6,187,007
10. Investments in other companies.....		6,506,068	1,738,747
Total.....		456,345,456	298,505,519

It will be seen that for rail and inland water lines the total capital expenditure of the Canadian National was almost \$200,000,000 greater than that of the Canadian Pacific; and the grand total shows that the Canadian National's outlay was the larger by about \$158,000,000. But, as I have said before, the Canadian National has a mileage of 7,000 greater than the Canadian Pacific, and, besides, the National had to be rehabilitated from start to finish.

Now we come to the hotels. The Canadian National's investments in hotels, as at December 31, 1931—I will not bother with the 1922 figure—are as follows:

Charlottetown, Charlottetown, P.E.I.....	\$ 853,351
Pictou Lodge, Pictou, N.S.....	200,554
Nova Scotian, Halifax, N.S.....	2,440,928
Chateau Laurier, Ottawa, Ont.....	8,639,247
Highland Inn and Camps, Algonquin Park, Ont.....	173,334
Minaki Lodge, Minaki, Ont.....	1,090,668
Nipigon Lodge, Lake Nipigon, Ont.....	37,639
Prince Arthur, Port Arthur, Ont.....	1,177,349
Prince Edward, Brandon, Man.....	523,080
Fort Garry, Winnipeg, Man.....	2,886,818
Grand Beach, Lake Winnipeg, Man.....	418,722
Macdonald, Edmonton, Alta.....	2,226,060
Jasper Park Lodge, Jasper, Alta.....	2,576,744
Under Construction	
Vancouver, Vancouver, B.C.....	5,958,812
Bessborough, Saskatoon, Sask.....	2,624,928
Total.....	\$ 31,828,234

I need not tell you that these hotels are run at a loss.

Here are the Canadian Pacific's investments in hotels as at December 31, 1931:

Algonquin, St. Andrews, N.B.....	\$ 1,424,033
Banff Springs, Banff, Alta.....	8,844,372
Chateau, Lake Louise, Alta.....	3,413,804
Chateau Frontenac, Quebec, Que.....	8,871,703
Cornwallis Inn, Kentville, N.S.....	744,559
Empress, Victoria, B.C.....	5,512,396
Palliser, Calgary, Alta.....	4,615,502
Pines, Digby, N.S.....	940,081
Place Viger, Montreal, Que.....	951,486
Royal Alexandra, Winnipeg, Man.....	3,213,745
Royal York, Toronto, Ont.....	16,482,313
Saskatchewan, Regina, Sask.....	2,559,918
Vancouver, Vancouver, B.C.....	6,337,412
Crystal Garden, Victoria, B.C.....	284,322
Camps and Rests.....	605,736
London, England.....	5,478,058
Miscellaneous.....	869,332
Total.....	\$ 71,148,772

I have looked in vain for any reference to Lucerne. If I understand correctly, the Canadian Pacific is interested in Lucerne, but there is not a word about it in the report. I do not know what the facts are, but surely the commissioners, who were working for ten months, must have been aware that Lucerne is in the picture. I am told that the investment there is over \$7,000,000; and I do not think much of that investment.

Considering that the Canadian National hotels are run at the public expense, it is surprising that the commissioners did not go into the whole situation more deeply. Take the Chateau here: some people are setting a very bad example by paying too little for a big suite of rooms. The statement of revenues and expenses of the Canadian National hotels shows that the loss was a small one, considering the fact that the hotels are under Government ownership. The revenues of the Canadian Pacific hotels for the period from 1923 to 1931 were \$63,112,829, and the expenses were \$55,644,002, showing an operative profit of \$7,468,827. But, mark you, those expenses, while they include taxes, do not include interest on capital investment, which interest at 5 per cent would amount to about three and a half million dollars a year for nine years, or a total of approximately \$31,000,000. If that figure were taken into consideration the loss to the Canadian Pacific on the hotel business would be something like \$24,000,000 for the period. And surely 5 per cent interest would not be too high for an investment of that kind.

The report next deals with increases in assets and liabilities. The Canadian National increased its total assets between January 1, 1923, and December 31, 1931, by \$452,325,052, and its total liabilities by \$922,430,755. That is, the increase in total liabilities was greater by about \$470,000,000 than the increase in assets; and, dividing that figure by nine, we see that every year the growth of the liabilities exceeded the growth of the assets by about \$52,000,000. Those who favour public ownership might well consider that enormous annual increase of liabilities, \$52,000,000, at the rate of \$1,000,000 a week. Nothing like that could have happened under private ownership.

Now I come to the Canadian Pacific Railway Company. During the nine years dealt with it increased its total assets by \$253,447,438, and its liabilities by \$266,819,039. In other words, the increase in its liabilities exceeded by \$13,371,601 the increase in its assets.

Dealing with the growth of the burden of taxation, the report contains a paragraph which to my mind shows a little partiality. I refer to paragraph 89:

When Canada entered the Great War there existed a federal debt of \$336,000,000, entailing an annual charge of approximately \$20,000,000. War expenditures added about \$1,700,000,000 to the debt of the Dominion. In the post-war period, while there were years when the debt was reduced, the result on the whole has been an increase in the net debt. In the year 1930-31 there was added the sum of \$83,847,977, and, in the year 1931-32, \$119,500,000.

I think it would have been only fair on the part of the Commission to state that

Hon. Mr. CASGRAIN.

the debt had been reduced by a former administration to the extent of \$245,000,000, and to give the period when the reduction was effected.

Then the report discusses the field of railway operation, and after giving the total railway mileage of Canada as at December 31, 1930, it proceeds:

The increase over the preceding year was 774 miles. In addition, there was under construction—

That is, at the present time.

—713 miles, chiefly in the Prairie Provinces.

Now, since everyone admits that we have too much railway mileage, why continue adding to it? The report does not say whether the Canadian National or the Canadian Pacific is engaged in building this additional mileage.

Paragraph 97 contains a table showing the steam railway mileage by provinces, the population, and the miles of railway per capita as of 1930. This is said to be the latest year for which complete data are available. The table shows that in Quebec the population per mile of railway is 559, while in Saskatchewan there is a mile of railway for only 108 persons. How can a population of 108 per mile of railway support its railway system when even in Quebec, with a population of 559 to every mile of railway, we have had railway deficits since the War? It is evident that Quebec has not got its proper share of railway facilities, for according to this table Saskatchewan has five times our railway mileage per capita.

Now as to mileage. The report shows that in Canada the Canadian National System has 21,981 miles of railway, and the Canadian Pacific 16,886—a total Canadian mileage of 38,867. In the United States the Canadian National owns 1,899 miles of railway, and the Canadian Pacific is said to control lines there—this control, I presume, means ownership—with a mileage of 5,160. One would think that the United States could provide their own railway service, especially as we are doing it at a loss; but of course there is a redeeming feature with respect to this, and I shall deal with it later. Taking the mileage of the two systems in Canada and in the United States, we have a grand total of 45,926 miles of railway. That is only 2,000 miles short of circling the world twice at the equator. Yet the right honourable gentleman opposite speaks of “the tremendous riot of railway building” at the beginning of the century. When Sir Wilfrid Laurier left office we used to boast that there were enough railways in Canada to go once around the world. Well, since that “tremendous riot of railway building” our railway mileage has been added to at such a rate that,

as I have said, it is now almost sufficient to circle the world twice.

There is no doubt that the party now in opposition had not very many friends on the Transportation Commission, for in speaking of the transaction that took place with Sir Hugh Allan and his associates in 1872—of course, all remember that famous Pacific Scandal, even after the lapse of so many years—the report dismisses it in this charming way:

Before these arrangements could be put into effect, however, the ministry resigned, partly because of its relations with the syndicate, which then voluntarily gave up its charter.

If the Pacific Scandal had been perpetrated by others than those who were directly implicated, perhaps the Commission would have been more severe, or at least more explicit. But I will let it go at that.

I have spoken of our operation of railway lines in the United States having one redeeming feature. It is this: of every dollar the old Grand Trunk Railway earned, its line to Chicago, known as the Grand Trunk Western, produced sixty-three cents. In fact its earnings from that line kept the system alive. We should also take into account its valuable Dearborn Street terminals in Chicago. These were acquired by the Grand Trunk at a time when Chicago was a comparatively small place, they cover a large area right in the centre of the city, and obviously they are worth many million dollars to-day. I find nothing in this report giving the Grand Trunk System any credit for having acquired that valuable property. On the other hand, the Central Vermont Railway has been run at a loss. Why we should give this unprofitable transportation service to our wealthy neighbours in that state I do not know. The increasing operating deficits on the line would warrant a suspension of the service.

What government aid did the Canadian Pacific Railway Company get? My purpose in asking the question is to point out that if the Grand Trunk Pacific had received anything like the generous terms accorded to the Canadian Pacific it might have pulled through. To my mind the great mistake the Laurier Government made was to drive too hard a bargain with the old Grand Trunk Railway Company, which company at that time had assets of over \$487,000,000. The agreement with the Canadian Pacific Railway Company was signed on the 21st of October, 1880, and it was ratified in December of the same year. Now, under that agreement what was given to the Canadian Pacific? In the first place, the company was given the 710 miles of rail-

way which the Government had constructed up to that time at a cost exceeding \$37,000,000. As honourable members are aware, after the Pacific Scandal the Mackenzie Government failed to interest private capital in the project, and Alexander Mackenzie—a good Scotchman—decided to build certain sections of the line to connect what we then called the water stretches, so that these could be utilized during the summer. Of course, once winter set in transportation was at a standstill, and the people served by this rail-and-water route had to get in their supplies during the summer months. I was engaged on that survey, and I think the idea was a good one. In addition to this gift of 710 miles of completed railway, the Canadian Pacific Company got the benefit of the surveys that had been made over a period of seven years. The Government, prior to entering into the agreement, sent out surveyors, who made very thorough surveys, and it was these surveys that enabled the Canadian Pacific engineers to carry through the undertaking in five years in place of the ten specified in the agreement. Then the company was subsidized on a very generous scale by a gift of \$25,000,000 in cash—a pretty large sum in those days—and 25,000,000 acres of selected land. You would think the Government had been sufficiently liberal towards the company and that that was enough. Not at all. The company was granted exemption from payment of duty on all materials imported for the construction of the railway, and nearly all these came from the United States. But that was not all. It was relieved from taxation on its lands for a period of twenty years after issue of the patents, and on stock and other property for ever. And as if these concessions were not enough, the company was empowered to charge any freight rates it chose until its revenues enabled it to pay a ten per cent dividend. Well, you might think that was the earth with a fence around it. But no; over and above all these gifts and concessions the company enjoyed an absolute transportation monopoly for some twenty-five years. Later, when the company was hard up, the Government paid it over \$10,000,000 for upwards of 6,700,000 acres of land that it relinquished, and guaranteed its securities to an amount of \$15,000,000. However, the company paid the guaranteed bonds upon maturity.

But how differently the Government treated the Grand Trunk Railway Company with regard to its Grand Trunk Pacific undertaking. The administration of Sir Wilfrid Laurier refused to grant one acre of land by way of subsidy, though it did give the company its right of way. Now, would the

Dominion have been hurt if the Government had given the Grand Trunk Pacific a subsidy of a certain number of acres per mile of road constructed? That would have helped the company materially and would have encouraged it to bring in settlers and sell them homesteads, just as the Canadian Pacific Railway has been doing. I am not antagonistic to the Canadian Pacific Railway; indeed, in this House I have been called a C.P.R. man because I have frequently declared that the Canadian Pacific was largely instrumental in developing Western Canada; but we must not forget that the Grand Trunk Railway Company did its share also, and that in the decade between 1850 and 1860 it expended \$30,000,000 on railway construction, on which capital its shareholders have never been paid a cent by way of interest or dividend. I think those shareholders have been treated very shabbily indeed by the Government of this country, whether Liberal or Conservative.

Not many honourable members may be aware that the site of the pleasant lawn now fronting these buildings was at one time a mass of rock. This rock was blasted and removed to the other side of the canal, to what at that time was called, I think, Mackenzie Park. When the Grand Trunk wanted to build the Chateau Laurier Sir Wilfrid Laurier insisted on payment of \$160,000 for the site, and besides that made it a term of the sale that the company remove the fine old trees on the property and replant them on Nepean Point. The company had to engage the Bell Telephone Company to handle those trees. I do not think a single tree survived: you cannot transplant old trees.

This illustrates the miserly way in which the administration of Sir Wilfrid Laurier dealt with the Grand Trunk. All that administration gave the Grand Trunk Pacific was a guarantee. A guarantee of what? Sir Collingwood Schreiber, then Deputy Minister of Railways and Canals, estimated the cost of construction from Winnipeg to a point to be fixed 125 miles west of Edmonton at \$17,333 per mile. The Government guaranteed seventy-five per cent of the cost; it did not give the railway company a cash subsidy. Actually the railway cost over \$40,000 a mile. How could you expect any railway to be built under such conditions? I am familiar with this matter because I was selected to answer the then leader of the Opposition when the railway legislation was introduced in 1903, and again in 1904, when some amendments to that legislation were brought down, and yet again in 1909, when it was found that the cost of con-

struction was very much more than the estimated cost, especially in the Rocky Mountains, where in some sections the construction cost per mile was three times \$30,000.

As a further instance of the miserly way in which the administration then treated the Grand Trunk Railway Company, I may mention that one day Mr. Wainwright—whom many of us knew very well—came here and said to me: "For goodness sake stop talking about the bargain the Laurier Government made! They made such a hard bargain that Mr. Hays is having a difficult enough time in London to get his shareholders to accept it." Naturally I eased off in order not to hurt the enterprise and not to embarrass Mr. Hays in London.

Then the Grand Trunk Pacific Railway Company actually agreed to pay three per cent interest on the cost of the National Transcontinental Railway, no matter what it might be. That was a very risky thing to do. In fact the construction cost much more than was estimated in the first place. When the Grand Trunk became bankrupt because it had guaranteed the debts of the Grand Trunk Pacific, the Government exercised its right under the guarantee and took in the Grand Trunk to "sweeten" the Grand Trunk Pacific, and that is how the Grand Trunk shareholders came to be left high and dry.

To show you how the road was being built I may say that on the way to a political meeting with Sir Wilfrid Laurier I said to him: "Do you know that 667 miles of railway from Winnipeg to Wainwright are actually in operation to-day, and have not cost the taxpayers of this country one cent of money or one acre of land?" The old gentleman did not pay very much attention to my statement at the time, but during the meeting I noticed that he made the most of it.

Now I have finished. I have to stop, because there is a gap between 1917 and 1923. I sincerely hope that when the Bill based on the Duff report comes down we shall have some information regarding those six years. Here is the Drayton report covering the period up to 1917, and here is the Duff report covering from 1923 on. Why the gap between those years? I do not know. I leave honourable members of this House to surmise.

I thank honourable members very much for their kind attention. What I have said I shall not have to say again when the Bill comes before us.

The Address was adopted.

DISTURBANCE AT PORTSMOUTH PENITENTIARY

Right Hon. Mr. MEIGHEN: Honourable members, since the calling of the Orders of the Day I have been able to read of the later disturbances at Kingston. I have made an effort to procure some further information for the House, because I think the matter of sufficient importance to warrant an early disclosure of anything that may be disclosed in relation to the riots. I was in hopes of being able to give the information within a very short time, but if the House is to adjourn now I shall not be able to do so.

The Senate adjourned until Thursday, October 27, at 8 p.m.

THE SENATE

Thursday, October 27, 1932.

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

Prayers and routine proceedings.

CANADIAN NATIONAL—CANADIAN PACIFIC BILL

FIRST READING

Right Hon. ARTHUR MEIGHEN introduced Bill A, an Act respecting the Canadian National Railways and to provide for co-operation with the Canadian Pacific Railway System, and for other purposes.

The Bill was read the first time.

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

Right Hon. Mr. MEIGHEN: To-morrow.

The Hon. the SPEAKER: With the leave of the Senate.

Right Hon. Mr. GRAHAM: Honourable members, I do not want to retard the business of the House, but this is a very, very important measure. Although I have not yet seen a copy of the Bill, I have no objection to its second reading being moved to-morrow, provided that the debate be adjourned until next week in order that all those who may wish to discuss the Bill may be given an opportunity to do so, and that the leader on this side of the House (Hon. Mr. Dandurand) may be present.

Right Hon. Mr. MEIGHEN: Honourable members, the suggestion of the right honourable leader of the other side of the House

(Right Hon. Mr. Graham) is quite reasonable. I should have said that the motion for the second reading of the Bill will not be pressed to a vote to-morrow should there be any present at the sitting who desire the motion to be carried over to next week, or any absentees who may be desirous of speaking.

I apprehend that all honourable members of this body are pleased to see the Bill come before us for consideration at this period of the session, when, because of slow progress in the other House, our duties are not onerous and we are therefore in the best position to perform our function in the machinery of government. I am sure that I may say on behalf of honourable members from all camps of politics that we will give this measure calm, deliberate and unbiased consideration, and that all who are especially interested in it will have the right to come before the appropriate committee of this House and be heard.

It is not usual on the introduction of a measure in this House to enter into any elaborate statement of its provisions. On this occasion, however, I think it but right that I should give a little more detail than usual, and endeavour to make a little plainer the purpose of the Bill. There have been a number of very important phases in the evolution of railways in this country. The first phase commenced with the launching of the great Canadian Pacific Railway venture back in the penultimate decade of the last century; the second was the duplication of that venture by a similar one, in two parts, in the early years of the present century; and the third phase, a less happy one, was the failure or collapse of some of our railway systems and the consolidation of those collapsed portions in the Canadian National Railways.

At the close of this third phase, we found ourselves with two great systems of railways, each managed as a separate business entity, the one system owned by the State and the other by the same private body that owned it at its inception. The plan inaugurated at the beginning of this phase has had a fair trial extending over many years, and as a result of encountering the very drastic depression through which the world has passed in the last three years, it has now reached a stage where we must attempt a fourth major move and possibly initiate a fourth great phase in our railway development. This Bill, therefore, as it affects the people of our country, assumes a very considerable im-

portance. As we all know, a Commission was appointed by the present administration, somewhat over a year ago, to inquire into the position into which our railways have drifted during the past ten years, and to make recommendations towards an alleviation of the difficulties caused thereby. I do not intend to utilize this occasion to offer any lamentation over what I regard, and what I sought to describe in very moderate language at a previous sitting, as the misfortunes of these last few years. Suffice to say that they are depicted in the pages of the Commission's report.

The personnel of the Commission was undoubtedly, as universally acknowledged, a strong one. At the time of its appointment there may have been some, and I confess I was one, who felt that it was unnecessarily large. However, though that feature may have had the effect of prolonging its labours and causing more time to be consumed before a report was made, we now have the benefit of the judgment of men of eminence in various spheres, including railways, not only in our own country, but also in the two principal industrial countries of the world.

The report of the Commission, which is unanimous, has now been in the hands of honourable members for some days. The Bill now presented is, I think I can say, the statutory embodiment of the report in toto, save for only one feature, which is not of major consequence. One of the recommendations of the Commission was that in place of the old board of directors there should be a board of three trustees who would be in complete command of the enterprise. Another was that from a list submitted by the board of trustees Parliament should appoint auditors from year to year. The principle that those whose books are to be audited should have something to do with the naming of the auditors seemed to the Government obviously wrong. Consequently, in that respect, and in that respect alone, the recommendation of the Commission is not implemented in the Bill, and Parliament in appointing the auditors is entirely unhampered by any circumscription of the trustees.

Permit me to say a word as to the spirit in which this Bill is presented. I have already said that it is the translation into statutory form of the report of the Commission. I want it very clearly understood by honourable members that the Government is not absolutely wedded to any particular clause of this measure. It is the desire of the Government that the Commission's recommendations should become law at as early a date as is consistent

Right Hon. Mr. MEIGHEN.

with thorough consideration, and just as fully as in the considered judgment of both Houses of Parliament is practicable. The Government has no object of its own to serve by any variation. It is true that all bills presented to Parliament—Government measures as well as others—are subject to amendment; but in this case to an even greater degree than usual it is desired that amendments should be freely offered and suggestions openly made, and that the representatives of the people should have the utmost liberty of discussion. While this, of course, is a Government Bill, and will be a Government measure as it emerges, it is the earnest desire of the administration that members on both sides of both Houses should have the utmost freedom in offering suggestions and amendments. What may be considered and demonstrated to be impracticable we are certainly free to reject; what both Houses of Parliament believe to be improvement we are equally free to accept.

The Bill, as the recommendation of the Commission, is before us with this introduction, and I know I speak for the chairman and members of the Railway Committee of this House when I say that we intend to deal with it, in its every clause and its every phase, temperately, fully, fairly, and in a spirit of public duty.

I need hardly go further in an attempt to delineate the clauses in succession, after having stated that it puts into the form of a statute of Parliament certain specific and clear recommendations of a Commission, which recommendations have been before us for some time.

It is a brief Bill. It covers only about eight pages. I think that as a piece of draftsmanship it is well done. I had nothing to do with the draftsmanship, so perhaps it is surprising that I consider it right. That I have enthusiasm for all its clauses it would of course be foolish to profess, but I do think that the central purpose and spirit of the measure is fundamentally sound, and that it has been rendered essential by the position to which things have come, and by the special circumstances which at this time surround all governments and impede the services they would like to render to their people. Those circumstances are perhaps especially embarrassing in our case because of that peculiar position at which our railway evolution has arrived, a position more advanced, but one involving more difficulties, than the railway situation of any other country.

If this Bill passes we shall still have two great systems, integral, separate, each complete in itself. There will be no amalgamation. There will still be competition in

service, and that is in effect all the competition we have had for many years, and all that we can have, in the field of public utilities. But there will be a certain measure of unification, which is rendered necessary if any objective is to be attained in the way of prevention of that tremendously expensive competition, especially in capital outlay, that the last few years have witnessed.

The Bill provides, first of all, that in order to attain certain specified ends, more or less generally described, the two roads shall cooperate by means of meetings of their representatives; that it shall be the duty of those in charge of both systems to attain those ends; that in the event of the representatives of the two systems failing to agree among themselves as to the attainment of any specific object, either road may apply to the Chief Railway Commissioner of Canada for the establishment of a tribunal, of which he shall be the head, and to which each of the railways may appoint a representative, this to be an arbitral tribunal to determine how the object sought to be attained by the complaining road shall be attained, and to compel both systems to abide by its judgment. In cases where either road thinks the matter is of such major consequence as to require a larger tribunal, application may be made to the President of the Exchequer Court for the appointment of two more members, and in such cases an arbitral tribunal of five, instead of three, will exercise the powers reposed in it by this Act.

The basic change, probably considered by the Commission to be its vital recommendation, is this: Provision is made for the appointment, not of a board of directors, but of a board of trustees consisting of three members, the chairman to be appointed for seven years and the other two for varying periods, their terms expiring at different dates, so that a reappointment shall be necessary every two or three years. These shall be removable on address of both Houses, but the whole purpose and genius of the measure is that they shall be free, not only from Parliament but from the Government, in the discharge of the onerous duties and responsibilities of their high office.

The chairman of the board of trustees is given extraordinary powers. No decision of that board is final unless he concurs in it. And that board, necessarily with the concurrence of the chairman, appoints a general manager with the titular rank of president, whose function it shall be to supervise the actual operations of the system. The system, by the way, includes allied enterprises as defined by the measure. This general manager is to be

given by the board of trustees powers, variable from time to time, as set out by by-law or by resolution; but in the discharge of his duties, even in the day to day management of the road, he is compelled to consult with the board of trustees, and especially with the chairman, whose ultimate suzerainty over the whole system and over the general manager's judgment is complete and unhampered during his tenure of office.

Such is in essence the Commission's recommendation to both Houses of Parliament. Therefore such in essence is this Bill. In that spirit I present it to you.

Before I sit down I should like to say something further, and I think it is due to the Minister of Railways that it should be said. I know that during the hey-day of prosperity all managements were prone to optimism, that many of them indulged it to a degree that we now call extravagance, and that the Canadian National Railways management was not alone in that feeling or in that practice; but I do think that the extent to which it indulged the practice—whatever the feeling was—is certainly not exaggerated or over-painted in the report of the Commission. Since the present Minister took charge he has sought, within the circumference of the control that is reposed in the Government under the original Act, to bring about economies. I do not doubt that such an attempt would have been made under any government; I should have hoped it would be made especially during these times. But he has succeeded in very substantially reducing the burden, and if this Bill meets with the pleasure of both Houses it should be remembered that all of what may appear to be accomplished under the new régime cannot be attributed to that new régime. Figures presented to me show that something approximating \$10,000,000 per year is now being saved in the expenses of operation. Applied to the scale of operations in effect, say, in 1928, this would have amounted to \$19,000,000. On the present scale of operations, the amount of business being little more than half, necessarily the reduction in expenses is not so large. In the year just closed we have suffered a reduction in revenue, if my memory is right, of approximately \$24,000,000. It is customary, of course, in all systems, whether railway, industrial or commercial, to have this scaling down of operations accompanied by a scaling down of expenses; but it is rarely possible to have the one balance the other, and if a reduction is made in expenses of operation equivalent to sixty or seventy per cent of total income reduction, it is considered a very creditable

result. However, for the last year, instead of expenses being reduced by \$16,000,000, which would have been about seventy per cent of the \$24,000,000 loss in income, the total saving in expense amounts to \$25,000,000. This is a result well worth while. The elements into which that total is divided could be easily presented, but the details would not be appropriate here.

I say this because I think it is due to the Minister who has had charge of one of the most difficult departments of the Government under circumstances of great statutory restraint, as well as other difficulties, peculiar to this time. The fact that so much has been accomplished is very greatly to his credit. But that is more or less aside from the purpose of the measure.

I think I have already said enough to make clear to honourable members what the Bill means, how great is its importance, and how heavy is the responsibility of this House in having to give the Bill initial consideration and despatch.

The Hon. the SPEAKER: With the leave of the Senate, it is moved by Right Hon. Mr. Meighen, seconded by Hon. Mr. Robertson, that this Bill be read a second time to-morrow.

Right Hon. GEO. P. GRAHAM: Honourable members, it is not my intention to make a speech at this stage, but I would suggest to my right honourable friend that if the Minister was so successful in cutting down expenditures he should have been put at the head of one of these boards, or the cutting down left to him entirely.

Right Hon. Mr. MEIGHEN: He has still heavier duties to discharge.

Right Hon. Mr. GRAHAM: I know the duties of the department fairly well. I am not sure that this Bill will make any improvement in the present situation; but more of that anon. I rather understood from the remarks of my right honourable friend, although he did not say so directly, that the Bill would be referred to the Committee on Railways and Telegraphs. Well, it will be given a good hearing there and the subject-matter will be thoroughly investigated.

I have been asked by honourable members of this House and by persons outside whether it would be left to the committee to consider the advisability of hearing those interested in this Bill, either for or against, such as boards of trade, representatives of the railways, and others directly concerned.

Right Hon. Mr. MEIGHEN.

I would suggest to my right honourable friend that the title of the Bill is not a happy one. The Bill deals with and gives certain powers to both railways, but only one of those railways is mentioned in the title as read by the right honourable gentleman.

Right Hon. Mr. MEIGHEN: No; two.

Right Hon. Mr. GRAHAM: What is the title?

Right Hon. Mr. MEIGHEN: "An Act respecting the Canadian National Railways and to provide for co-operation with the Canadian Pacific Railway System, and for other purposes."

Right Hon. Mr. GRAHAM: The C.P.R. must come under the "other purposes."

Right Hon. Mr. MEIGHEN: No; the Canadian Pacific Railway is specifically mentioned.

Right Hon. Mr. GRAHAM: No. Apparently the Bill gives the Canadian National authority to unite with the Canadian Pacific on any plan, but it does not say anything about the Canadian Pacific having authority to unite with the Canadian National.

Right Hon. Mr. MEIGHEN: The title gives no authority at all. It is: "An Act respecting the Canadian National Railways and to provide for co-operation with the Canadian Pacific Railway System, and for other purposes." The first clause is: "This Act may be cited as the Canadian National—Canadian Pacific Act, 1932."

Right Hon. Mr. GRAHAM: That shows the disadvantage of our not having copies of the Bill before us. The title gives only the C.N.R. certain rights. Unless authorized by the Bill, the C.P.R. cannot go outside its charter or the Railway Act to co-operate with any other railway. Those are the two points to which I wish to direct my right honourable friend's attention.

Hon. Mr. LEMIEUX: Honourable members, it seems to me that this measure is too important to be railroaded through the House. In fact it is the most important of the session. According to Rule 23,

Two days' notice must be given of a motion for any of the following purposes:

(f) For the second reading of a Bill.

I take objection to our proceeding with the second reading to-morrow. The right honourable gentleman has stated that the Bill will be discussed to-morrow, but it has not yet been distributed. It seems to me that we should heed the Latin maxim, *festina lente*.

Right Hon. Mr. MEIGHEN: I am in the hands of the House. I try as best I can—the task is often not easy—to meet the desires of honourable members on both sides with respect to adjournments and to utilizing our time to the utmost. Certainly any honourable member may insist on the letter of the rule if he wishes to do so; it is his responsibility. I would simply point out that I have never heard the word “railroading” applied to the progress of a measure after a presentation such as I have made to-night. We are in no hurry whatever. We have now introduced the Bill, we can start debate on the second reading to-morrow, and that debate can continue without any prodding, or any request by us for expedition. Every honourable member will have the right under the rules to talk as long and as often as he likes. We will not ask for second reading until everybody is through. Probably it would meet the consensus of the wishes of honourable members to proceed on that understanding; but if honourable members are prepared to take the responsibility of postponing until Saturday, or some time next week, the motion for the second reading, I am not the one to oppose such action.

Hon. Mr. LEMIEUX: I want to read the Bill. It has not been distributed.

Right Hon. Mr. MEIGHEN: A Bill is never distributed before its introduction. The Bill is printed, and I believe the French translation is completed. Undoubtedly copies will be before us in the morning.

Hon. Mr. CASGRAIN: But the Bill has not been distributed.

Right Hon. Mr. MEIGHEN: A Bill never is distributed on its introduction. We are only introducing the Bill.

Hon. Mr. CASGRAIN: Would it not be well to postpone it until to-morrow?

Right Hon. Mr. MEIGHEN: Yes, I am quite ready.

Hon. Mr. CASGRAIN: His Honour the Speaker put the motion for second reading.

Right Hon. Mr. MEIGHEN: I do not wish that.

Right Hon. Mr. GRAHAM: We should have a better understanding before we go any further. When will this Bill be read a second time? The right honourable leader of the House has stated that he will make the motion for the second reading, but that motion will be interpreted to mean that the discussion will be proceeded with to-morrow and be carried on into next week.

Right Hon. Mr. MEIGHEN: I made it very clear because I had arranged with the right honourable member beforehand that the discussion would be carried on. We will not ask for a decision to-morrow, and I undertake now that we will not ask for it while any honourable member wishes to speak.

Hon. Mr. CASGRAIN: Could not the right honourable gentleman move suspension of the rule?

Right Hon. Mr. MEIGHEN: I am not moving the second reading.

Hon. Mr. LEMIEUX: I am satisfied with the right honourable gentleman's explanation.

The Hon. the SPEAKER: The Bill has been read a first time.

Right Hon. Mr. MEIGHEN: That is all I wish.

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

Right Hon. Mr. MEIGHEN: To-morrow.

The Hon. the SPEAKER: With the leave of the Senate, it is moved by Right Hon. Mr. Meighen, seconded by Hon. Mr. Robertson, that this Bill be read a second time to-morrow. Is it your pleasure to adopt the motion?

Some Hon. SENATORS: Carried.

Hon. Mr. LEMIEUX: Subject to the explanation of the right honourable gentleman.

The motion was agreed to.

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

THE SENATE

Friday, October 28, 1932.

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

Prayers and routine proceedings.

BRITISH PREFERENTIAL TARIFF

SHIPMENT VIA CANADIAN PORTS

Before the Orders of the Day:

Hon. W. E. FOSTER: Honourable senators, I desire to direct the attention of the right honourable leader of the Government to an article in the press setting forth the customs regulations of Great Britain. According to these regulations, Canadian goods entering Great Britain, if they have passed through a foreign country such as the United States, must be accompanied by a through bill of lading in order to secure the benefit of the

British preference. I would ask the leader of the Government whether any representations have been or will be made to the British Government suggesting such a change in those customs regulations as would tend to direct Canadian traffic through Canadian channels and Canadian ports; suggesting, in other words, the application to Canadian goods shipped to Great Britain under the preferential tariff, of the same principle that now applies under the preference to British goods shipped from Great Britain to Canada.

Right Hon. Mr. MEIGHEN: I received notice of this question just as I was coming down the stairs. I make no complaint at all, for short notice is probably the custom; but I would suggest that if an adequate and dependable answer is expected, I should be given notice the day before. Then there would be less delay in giving a statement. While I have some knowledge of this subject and have myself had representations thereon, I am sure I could not at the moment give the complete and informative answer to which the honourable member is entitled. Therefore it would be better not to attempt to deal with the question now. I shall be able to give a reply at the next sitting.

DISTURBANCE AT PORTSMOUTH PENITENTIARY

Before the Orders of the Day:

Hon. J. LEWIS: Honourable members, before the Orders of the Day are called I should like to draw the attention of the Government to the situation at Portsmouth Penitentiary. I understand that an inquiry is now going on as to the direct causes of the recent rising, but articles have appeared in the newspapers alleging overcrowding, dirty and unsanitary conditions, and cruel and unusual punishments, which would seem to indicate the necessity of an inquiry that would go farther back. I do not, of course, ask the Government to accept these stories as absolutely true, but I think it would be wise not to disregard them. My suggestion would be that the Government should undertake a full inquiry into the situation, and possibly into conditions in all the penal institutions in Canada.

I know that anyone who proposes an inquiry of this kind is subject to the reproach that he is sentimental and wishes to see prisoners coddled. I have no objection to the strictest possible discipline in the administration of a penitentiary, but I do believe that it should be directed towards reform as well as punishment, and that the Government and the penal authorities should en-

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deavour to make men better instead of worse when they leave the jail. In all these institutions, I may say, without going into the detail of these charges, there is a tendency to run into ruts and to carry on in an old-fashioned way, and I think an occasional shaking-up is a good thing. The present Ontario Government felt that to be true, and appointed a commission, of which Dr. Ross of this city was head, to make an inquiry into all the charitable, corrective and philanthropic institutions of Ontario. That commission found many things to be remedied, and the Government has appointed a Minister of Public Welfare to attend to some of those institutions, in addition to the Provincial Secretary, who has the principal jails under his charge. I do not know that it might not be well for our Government to hand over the administration of penal institutions to a minister who has perhaps fewer duties to attend to than has the Minister of Justice. At all events, I call the attention of the Government to this matter, and urge it very seriously to consider the appointment of a commission or the adoption of some other method of inquiry.

Right Hon. Mr. MEIGHEN: I am not very clear as to the honourable member's inquiry, or, indeed, as to the final effect of his expression of views. If I understood him correctly, he expressed at the first the opinion that there should be a public investigation of the causes and merits or demerits of the recent riots.

Hon. Mr. LEWIS: That is going on now. I meant that there should be something going farther back.

Right Hon. Mr. MEIGHEN: That is not going on now. But I should like to ask the honourable member whether, upon his responsibility as a member of this House, he would express the opinion that there should be a public investigation into the merits of the riots, as between the rioters and the authorities.

Hon. Mr. LEWIS: I was not thinking of that especially. I thought such an inquiry was being carried on. At all events, I wanted the inquiry to go farther than that. What has been stated indicates to me that there is something wrong with the institution, possibly not through any fault of the authorities, but because this institution, like many others, has got into a rut and needs to be investigated and shaken up, possibly with a view to the adoption of new methods.

Right Hon. Mr. MEIGHEN: I am glad the honourable gentleman has not taken the responsibility.

Hon. Mr. LEWIS: I was not shirking the responsibility at all. I do not object to that sort of inquiry.

Right Hon. Mr. MEIGHEN: There is an investigation going on as to the cause, in all its phases, of the riots. The investigation is being conducted according to the long-standing custom obtaining among the authorities in our penal institutions. A public inquiry, with those charged with rioting on one side and the authorities on the other, is not taking place. That such an inquiry is in progress has been denied by the Minister of Justice, and I should hope that none of those who are seized of their responsibility as guardians of law and order in Canada would urge anything of that nature on the basis of our present knowledge of these riots. In times like these, with difficulties existing such as have never before been experienced in the same intensity, when the foundations of law and order are certainly under challenge, it surely behoves all who appreciate the situation to stand loyally by those who are endeavouring to do their duty under the law. It is all very well to entertain a sentimental sympathy for law-breakers while they are undergoing punishment, or before, but there is something tremendous at stake, and it is of vital, paramount and eternal consequence that authority be vindicated.

Hon. Mr. LEWIS: Whether right or wrong?

Right Hon. Mr. MEIGHEN: Authority based on law is right. If the law is wrong, we are the ones responsible for it, and should change it. The habit of fleeing at once to the side of the law-breaker and endeavouring to raise sentiment against authority is, to my mind, altogether too prevalent, and at a time like this exceedingly dangerous. I do not think anything will be revealed that will indicate any necessity for what is called a public inquiry. I hope the regular, routine inquiry will prove sufficient. Certainly the public will be entitled to the results of that inquiry.

But the honourable member (Hon. Mr. Lewis) goes further. He thinks that our penal institutions have got into a rut. I know of no evidence to that effect. All that the evidence has shown, so far as I can see, is that authority in the Portsmouth Penitentiary has proved insufficient. That is all we know at present. When evidence is adduced to show that we are conducting our penal institutions along improper lines, then will be time enough

to consider some liberal and enlightened way of bringing about reform. The mere fact of a riot indicates no such thing, though it does indicate, perhaps, an inefficiency or insufficiency on the part of those entrusted with the maintenance of law and order. Our penitentiaries take care, not of minor offenders, but of those who are usually called major offenders—those whose crimes are deemed of such a character that the punishment must extend beyond two years. Consequently, in those institutions the sphere of authority and the necessity of punishment are greater than in the provincial institutions, where the function of reform is naturally wider in scope and of greater consequence. If there are those who hold the view that the principles on which our penal institutions are governed are wrong, and they can produce evidence on the subject, they are at liberty to move in either House of Parliament for a change of those principles. But the mere fact that rioting has occurred at Kingston does not contribute in the least to show that the principles are wrong. It only shows, as I have already stated, that authority has been either inefficient or insufficient.

One statement made by the honourable member is quite correct: there has been overcrowding in the Portsmouth Penitentiary. That is due to the simple fact that the inmates are outgrowing the boundaries of our institutions. I understand that it would have been better to extend the capacity of Portsmouth. Better care could then have been given, greater precaution could have been taken. But it seemed to serve the interests of economy not to enlarge the capacity at the present time. Consequently many inmates were taken care of there, not in individual cells, but together in corridors, and possibly that situation has contributed to the outbreak against authority. It may be that wrong judgment was shown in not spending more money, even in these times. The increase in the number of inmates is largely caused by the temper that prevails, a temper to which we certainly should not contribute. The capacity of the institution is overtaxed, but the reason is simply that economy has been exercised, wisely or unwisely.

CANADIAN NATIONAL—CANADIAN PACIFIC BILL

MOTION FOR SECOND READING—DEBATE ADJOURNED

Right Hon. Mr. MEIGHEN moved the second reading of Bill A, an Act respecting the Canadian National Railways and the pro-

vide for co-operation with the Canadian Pacific Railway System, and for other purposes.

Right Hon. G. P. GRAHAM: Honourable members, I think I can safely say that in all my parliamentary life I have never felt a greater weight of responsibility on rising to address either House. Having had something to do with railway problems during much of my time in office, I may be considered by honourable members to be an authority on such problems. I do not pretend to be one. I do, however, pretend to have learned something in my years of experience, and I will bring that to bear on any remarks I have to make.

I believe it is a compliment to this House that a measure of this kind has been introduced here. I think it is an indication by the Government that it wants the first discussion, at least, on this great problem to be shorn of all partizanship. The railway problem is a great business problem. Whatever errors may have been committed by either side, it is clear that the people of Canada are faced with a problem that needs calm and careful consideration. While of necessity going over some historical ground, I shall endeavour to keep away from saying anything that I think will raise the partizan spirit on either side. There are times, perhaps, when it is advisable that a man should speak with some heat about things, and I do not deny that I may have done so on occasion, though not to such an extent in recent years as I did of yore.

The performance of the task assigned to this House requires us to give careful consideration to the question, both pro and con, with only one object in view, to arrive at conclusions that will be best for the taxpayers of the Dominion of Canada. I must not lecture, but my advice to all honourable members—and I hope they will take it as intended—would be to approach this subject not in a spirit of finding fault with somebody, but rather of helping us to work together for the accomplishment of this great purpose.

I may be accused, before I sit down, of taking the side of the railways. Well, I have had more to do with them than with the Senate, and I think something ought to be said in favour of the great executive boards that are conducting and have conducted the management of our two transportation systems. I am not here to eulogize anybody, or to forgive anybody for errors; that is not my object at all; but there are always two sides to a story, and in my discussion of the situation I may be charged with being too

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lenient towards executives. Perhaps no one feels the situation more deeply than those men do, and I intend to state the reasons for some of their courses of action that in times of depression appear to have been reckless, but in good times were considered to be investments. We have naturally been decrying the present situation and more or less criticizing the railway executives. Now, all honourable members are experienced in business matters, and I want to ask if each of us is not in the same boat with those executives. When times were good, farmers received high prices for their produce, freight traffic was heavy, and the railways naturally saw nothing but success ahead of them. The Canadian Pacific was able to pay its dividends, while the Canadian National improved its position very materially from 1922, I think, until 1927 or 1928, and in one of those years not only did its earnings pay all the bond interest due to the public, but, if I am not mistaken, there was a little left over after this obligation was met.

Following the example of my right honourable friend (Right Hon. Mr. Meighen), I want to trace the history of the railway absorptions. I will not argue for a minute whether it was right or wrong for the country to take over the roads. They were taken over; we have had them for some years, and still have them. When I entered the King Government the Minister of Railways was my late friend, Hon. W. C. Kennedy, whose death was a great loss to Canada. So long as his health permitted he studied the railway problems very carefully, feeling with his keen business acumen that the working out of those problems meant a great task for Canada. It has been said that all the railways were in good condition. Well, any man who passed through the experience I had on succeeding Mr. Kennedy as Minister of Railways would know that such was not the case. I think Sir Henry Thornton reported that the main arteries were in fair condition, but many betterments had to be made, even to the Grand Trunk main line, in the way of rock ballasting, laying heavier rails, and straightening out the tangle of the Toronto terminals. The Toronto terminals problem had been hanging fire for years pending disposition of a lawsuit. The terminal improvements cost both railway companies millions of dollars. The fact is that the C.N.R. system, in many sections, was not in good condition.

Both the Canadian National and the Canadian Pacific have considerable railway mileage in the United States, and of course they have to operate these lines according to the laws of the various states. You may ask why they want to maintain and operate that Ameri-

can mileage. Well, it must be remembered that those lines are important feeders to the parent systems in Canada. Watch our east-bound freight trains and you will see that the majority of the cars come from Chicago or some other city in the United States; and so with traffic going the other way, many of the cars being destined to American points. We are not in a good position to judge of the difficulties of operating railway lines in a country where the railway laws are altogether different from our Railway Act. We may say they should not have done this or that in connection with these lines. But what authority have we to take that stand? Both the Canadian National and the Canadian Pacific were compelled to carry out betterments and improvements required by the laws of the states served by their lines.

The various lines now composing the Canadian National Railway System were taken over, and, as I have said before, I do not think any person can contradict my statement that although millions of dollars had already been spent on these railways, many millions more had to be spent to put into good working order what my right honourable friend terms "this heterogeneous mass."

When I succeeded Mr. Kennedy as Minister of Railways we started to operate the system under a statute. Up to this time the Grand Trunk and the Canadian Northern had been operated by two separate boards of directors appointed by the Government. Sir Joseph Flavelle was chairman of the Grand Trunk Board, and Mr. D. B. Hanna of the Canadian Northern. It was impossible to do anything else at the time, and I am not criticizing that method of operation, for the amalgamation and co-ordination of these two systems were not at all an easy task. Many things had to be done, and, as will be readily understood, the trust companies holding the securities of the various companies forming the two systems—there were more than a hundred such companies—had something to say about everything that was done. I am not absolutely sure that some of those lines are not still technically outside the C.N.R. System.

But to my mind the greatest task of all was to amalgamate the Grand Trunk and the Canadian Northern staffs. Mr. Kennedy's policy to appoint as president of the Canadian National Railways one who had had no connection with either the Grand Trunk or the Canadian Northern was based on his judgment as a business man that if the appointee were taken from either company he would have a still more difficult task to accomplish in co-ordinating the two systems, and probably would not succeed. Mr.

Kennedy endeavoured to get several gentlemen to accept the appointment, but without success. Finally Sir Henry Thornton accepted the position.

Objection has been raised to the size of the directorate of the Canadian National System. Now, the size of the directorate is due to the fact that public opinion, through its representatives in Parliament, insisted that there should be a director from each province. I do not say that this plan worked out so successfully as had been expected by those who favoured it. If it did not, the simple reason was that some of the directors who lived a long distance from Montreal attended the board meetings only occasionally. Therefore, although the succeeding Government did follow this plan, I am not at all averse to having a smaller board. I will not commit myself yet with respect to the proposed appointment of three trustees to manage the system, for there may be some objections to the proposal, and I shall wait for the committee stage before discussing it. But, as I have said, it was the opinion of the public that each province should have a representative on the board of directors. Labour also wanted a representative, and as far as possible these views were considered in the making of the appointments. I recognize that there are objections to so large a board, and, I repeat, I am not averse to reducing its membership.

Now let me point out some of the difficulties in the way, and some of the reasons for the actions, of the executives of these railways, for, after all, our railways are in the same position as nearly every other railway in the world. The report refers to hotels, and inferentially, I think, disapproves of the railways conducting a hotel business. There are reasons, however, why they have built hotels. Whether in the light of the depression you think them sufficient or not, they were under normal conditions thought to be good reasons. The Canadian Pacific followed the example of many of the largest railways in Europe in erecting and conducting hotels in connection with its railway. This may have been overdone. But let me point out the advantage of hotels to the railways. They were constructed, I believe, not with the intention of making a direct profit, but for another purpose altogether. I take the C.P.R. because it has the greater number of hotels. That company, with its steamship lines, can book a passenger from Liverpool to Hong Kong, and that passenger need never be out of the care of C.P.R. officials from the time of his departure until he reaches his destination. As a

consequence the railway secures a traffic that companies which cannot make similar arrangements do not get, and thereby does a business that it would not do but for the fact that it is able to take care of the traffic from the point of its origin to its destination. I know of no railway system in the United States that can do that kind of business.

In discussing these railway expenditures we must remember that our railroads have to compete with United States railroads for east-and-west traffic, and that if they do not keep abreast of the United States railways in the way of providing accommodation they will not get the traffic. If you board a C.P.R. train or a Canadian National train travelling east or west, and go into the smoking room, you will find that half the passengers are from the United States. There would be a serious loss to the Canadian railways, therefore, if they were to fail to provide transportation of a quality that enabled them to pick up this traffic. The same argument applies to traffic between Europe and the United States. A great many Americans travel by Canadian lines from Europe to Canada, and thence to the United States; or from the United States to Canada, and thence to Europe. These are good and sufficient reasons why, in normal times, the Canadian railways should endeavour to look after their own traffic. They have to compete with lines in a country that has at least double the density of population that we have in Canada. This is no easy task, and any let-down in the standard of service would be a mistake.

Take the hotel at St. Andrews-by-the-Sea. That hotel has a golf course. Hotels that intend to cater to tourist traffic had better not start unless they are going to provide a golf course. I know that if my right honourable friend (Right Hon. Mr. Meighen) and I were to arrive at any of these places to-morrow, the porter would have to lug in our golf clubs with our other baggage. St. Andrews-by-the-Sea is one of the best advertisements the Canadian Pacific Railway has. In normal times a good business is done as a result of it. It is not the business done by the hotel itself that counts; but if it were not for the hotel the railway would not get the traffic that comes to it because of the hotel. I am speaking of the building of hotels by the railways—something that seems to be rather outside their sphere if we do not give the matter due consideration.

The Canadian National Railways also have hotels. It must be remembered, however, that the Canadian National did not build them

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all; some of them were legacies from other companies that were taken over. As a matter of history and experience I can tell you that for at least two years I was almost afraid to go to Toronto, because some of the men who are now abusing the executives of the railways for hotel building chased me from hotel to hotel to insist that I should have the Canadian National build a hotel in Toronto. To my mind that would have been nothing but foolishness. Toronto now has more hotel accommodation than it can use. The pressure on the railways to build hotels here and there was great. They wanted to be in a position, at least so far as Canada was concerned, to take care of traffic from the time it started till it reached its destination.

Now let me refer to one or two instances in which criticism was directed at the Canadian National Railways for building hotels. One was the building of a hotel in Prince Edward Island. It is not a gorgeous affair—I saw it when it was under construction—but I believe it is a nice, comfortable hotel. Prince Edward Island is one of the most picturesque and lovely spots in Canada, and if the people of this part of Canada only knew what it is like they would go there in greater numbers. It is only of recent years that tourist traffic has been encouraged to go to Prince Edward Island. The people there had the idea that automobiles should not run very frequently, and no man will go far from home nowadays, or stay for any length of time, unless he has an automobile. In addition to the expenditure on the hotel, a large amount of money was spent in widening the gauge of the Prince Edward Island Railway so that the agriculturists of that province could ship their products to other parts of Canada without breaking bulk. Furthermore, the Government that succeeded the Government of which I was a member built an up-to-date ferry so that railway cars of standard gauge, and carrying either produce or passengers, could be ferried to or from Prince Edward Island. These things all cost money. After the widening of the railway gauge in Prince Edward Island it was contended by the Prince Edward Islanders that if the railway company wanted to bring traffic there, a hotel should be built, and that if the railway company would not build it no one could. It remains to be seen whether or not that hotel will pay its way.

Such are the reasons that induced the railways to follow the course adopted by the up-to-date railways of Europe.

Another project very severely criticized was the Vancouver hotel.

Hon. Mr. CASGRAIN: That is right.

Right Hon. Mr. GRAHAM: My honourable friend says that is right. That was a legacy from the Canadian Northern.

Hon. Mr. CASGRAIN: Of an undertaking.

Right Hon. Mr. GRAHAM: It was a legacy from the Canadian Northern, because when that company was taken over its liabilities had to be taken over as well as its property. Originally the British Columbia railway was not a Dominion railway. Rightly or wrongly, when I was Minister of Railways, I suggested to the Government that no aid should be given to the Canadian Northern for further building until it had completed what it had already undertaken. It did not get any aid from the federal treasury at that time. However, rightly or wrongly, Mackenzie & Mann made a hard and fast agreement with the McBride Government that a railway should be constructed from Vancouver to the boundary line. One clause of this agreement provided that the railway should never consent to submit any of its tariffs to the Board of Railway Commissioners for Canada, but that they should be submitted only to the British Columbia Government or some body appointed by that Government. That was the situation until Sir Robert Borden became Prime Minister, when an Act was passed declaring the line of the Canadian Northern in British Columbia to be "a work for the general advantage of Canada." This meant, not that the line was taken over, but that it was brought under the jurisdiction of the Board of Railway Commissioners. Mackenzie & Mann, in their eagerness to secure aid from the McBride Government for the building of this line, made many very generous promises. Among these was one that they would build a hotel in the city of Vancouver. After the railway had been taken over by the Dominion, representatives of the city of Vancouver waited on me on many occasions, and corresponded at great length, urging that the pledges contained in the agreement with Mackenzie & Mann be implemented. If memory serves, suit was also threatened.

Right Hon. Mr. MEIGHEN: Will the right honourable gentleman permit me to interrupt at this point? I do not want to speak too positively, but I may say that the Canadian Northern authorities who were in charge at that time very firmly assert that that agreement was executed by another service being substituted for the hotel, and that at the time the railway was nationalized there

was under that agreement no obligation at all in respect of a hotel. The City of Vancouver, in a written document, had relieved them of the obligation.

Right Hon. Mr. GRAHAM: I never heard of such a thing during the time that I was Minister of Railways, and I do not believe that Vancouver ever relinquished its claim that a hotel should be built by the Canadian Northern. The deputations that I saw never suggested that they would take anything else. As a matter of fact, when we compromised they said they would drop some of the other claims if we would give them a hotel—and in making that offer they seemed to think they were giving me the earth. I believe the Dominion of Canada was saved several million dollars by that compromise.

The only criticism there can be—I do not know whether Vancouver would agree or not—is that the hotel is too good; but if the Canadian National was going to have a hotel in Vancouver it had to be as good a hotel as any of the others. I assure my right honourable friend that what he has stated was never suggested to me by any person, and several times in the House of Commons I made the statement that I am making now.

I have given some of the reasons why, in normal times, railways do things that in a time of depression are called extravagant. They would not be extravagant in normal times.

Hon. Mr. CASGRAIN: When the Liberals are in power everything goes.

Right Hon. Mr. GRAHAM: Let me put this case to honourable gentlemen as business men. I think I have seen many of them mentioned as the presidents or vice-presidents of companies. I put myself in the same category, and what I say will not be personal to anybody else. If you gentlemen had been judged by your board of directors according to the magnificent success attained by your business during the past three years, would you not now be ex-presidents instead of presidents? Only the mercy of my board of directors has left me where I was. I am voicing an opinion about you, but a fact about myself.

Now I want to deal with the Canadian Pacific Railway for a few minutes. The position of the C.P.R. is different from that of the C.N.R. Parliament can pass any legislation it wishes in regard to the Canadian National, because Parliament, on behalf of the people, owns and controls that railway. I know that it can pass legislation relating to a private company, but it has not the same

moral right to do so. The Canadian Pacific Railway has shareholders throughout this country. A large amount has to be paid by it in taxes on account of the Canadian National Railways; also a large amount is contributed by the shareholders of the C.P.R. by way of loss in dividends. The shareholders in a private company elect the directors of that company, but the Government elects the directors of the C.N.R., and Parliament claims the right to say who shall be directors, and to dictate to them what is to be done. Although the taxpayers are innumerable, the Government is the only shareholder of the Canadian National. Now take the Canadian Pacific Railway. It has its shareholders, who have put up their money. Of course, I think we all have put up money for the Canadian National. But the Canadian Pacific shareholders elect directors to conduct their business, and they understand they have the power, and may use it at any time, to remove any or all of their directors from office. Now, I just want to ask if we are not going too far in this Bill in depriving the shareholders of this power and naming an arbitrary tribunal that can override the shareholders and the directors. I will not make further reference to that aspect at this time, but I think it is worthy to be considered when this Bill comes before the Railway Committee, as I understand it will. We should ask ourselves if we are not going too far in taking away authority from people who paid in their money under certain conditions, under certain laws and charters governing the Canadian Pacific, and in transferring that authority, in a large measure, to three men named under parliamentary provisions, no matter how good those men may be.

Hon. Mr. CASGRAIN: Not named by Parliament, but named by the Government.

Right Hon. Mr. GRAHAM: When I was reading over the Bill that struck me more forcibly than did anything else. I asked myself what I would do if I were the president or a director of the Canadian Pacific; whether I should not be inclined to object to the taking away of a large measure of authority from those who have a right to exercise it through men of their choice—men who themselves have invested money in the road—and to the giving of that authority to three persons who may have no interest whatever in the road. In any event, whether they had an interest or not would make no difference. That is one feature to which I think the House should give a great deal of thought before the Bill is passed.

Right Hon. Mr. GRAHAM.

It has been said that a large number of railway employees are fearful that there may be more dismissals. Fear is the greatest detriment to efficiency. Recent United States papers have contained many articles dealing with the effects of unemployment and fear of unemployment. The present situation bears not only upon the man who is out of work, but also upon the man who goes to his job every day in fear of being told that he will not be required longer. Whatever is to be done should be done, and I would suggest to the Government that so far as possible the era of dismissals, except for cause, should be brought to a close. I may as well say that I know there is great unrest among employees of both railways, due to the fear that as a result of this legislation steps may be taken to reduce extensively the staffs of both roads—since “new brooms sweep clean”—and that additional thousands may be thrown out of employment.

In my opinion one of the greatest difficulties that had to be overcome in the amalgamation of the two great systems was the welding together of the staff of the former Canadian Northern and that of the old Grand Trunk. I know from experience that strong jealousy existed for years between the staffs. If a Grand Trunk man were advanced in position, a Canadian Northern employee felt jealous, and vice versa. To my mind the greatest thing that Sir Henry Thornton did in all his career was the combining of these two staffs and the creation of such an esprit de corps as never existed on the old Grand Trunk and was never surpassed on any railway in the world. These employees feel that owing to the necessity, which we all know exists at the present time, for strict economy, their positions are not secure. I would advise careful consideration before any body of trustees is invested with powers that might be the cause of faithful employees on both lines working under the daily dread that their next pay cheque may be the last. Such a feeling destroys efficiency altogether, and it is not fair to the employees, their families and the executives that it should be allowed to continue.

I hope that when this Bill goes to committee we shall consider it, as we have been invited to, carefully, fearlessly and with a view to the best interests of the country, which include the best interest of the great railway systems themselves. Notwithstanding the situation that confronts us, I am not prepared to admit that public ownership has proven a failure in this country. The publicly owned railway is in the same posi-

tion as nearly every other railway in the world, only many of its difficulties are brought more prominently before the public because Parliament has to deal with them. I have faith in the future of Canada. We shall have normal conditions again. I do not know whether legislation will bring them about, and I will not interject a suggestion of something that I think would help, for it might be considered controversial and not connected with the railway problem. I have a strong faith that this country will prosper again if we carry ourselves sedately and get rid of the war mind that we have had for so many years—that is, the attitude that if an expenditure is thought necessary we should get the money, no matter where it comes from—and substitute for it a mind economically attuned as a result of the experience through which we are now passing. If we can make such a substitution the experience will not be without its beneficial effect. We have the resources in Canada and I think we have the men to deal with the existing problems. I believe that my good friend Hungerford is a splendid man for the position of head of the Canadian National Railways.

Hon. Mr. CASGRAIN: Hear, hear.

Right Hon. Mr. GRAHAM: He is honest personified, there is no question about that. How he succeeds will depend, of course, upon how he is supported, and that is one reason why I am afraid of giving too much power to any board of trustees.

I have faith in the Canadian Pacific Railway, as a result of my faith in the country. It is a splendidly managed road. While I was Minister of Railways I had no financial interest in it, but it may not be considered too personal a reference if I say that only a few months ago I bought a small lot of C.P.R. stock with the sole object of doing my duty—for I do not expect any profits for some time—and of showing with my money that I had confidence in the future success of the road. If we steer our course wisely and judiciously, not extravagantly, until normal times come to us, our two railway systems will undoubtedly be restored to a prosperous condition.

Our railway situation is not, to my mind, a pessimistic one, and we should not broadcast too much pessimism about it. I believe in maintaining two distinct lines of railway. The people of Canada would not stand for any monopoly. I hope honourable members from the Maritime Provinces will excuse me for saying that as Minister of Railways I tried to look after the old Intercolonial, which

really had to a large extent a monopoly in the Maritimes, and I came to feel that a government monopoly had not a bigger heart than any private monopoly. One of the most frequent complaints had from the Maritimes was this: "If we could get the Canadian Pacific to come into our territory there would be competition and we should get better service; the Intercolonial will not give us good service, because there is no competition." I am of the firm opinion that a government monopoly would be little, if any, better than a private monopoly. Under normal conditions, which we hope will soon return, there is room in this country for both railways if they are conducted in an economical manner. They can provide as efficient passenger and freight service as is obtainable anywhere in the world, and our people will not accept anything less.

Now I want to make some reference to the highways. It is embarrassing sometimes to be so old that you have been connected with almost every matter that has been a public issue over a long period of time. I was a member of the Legislature of Ontario when the first grant was made for the improvement of highways in that province. A million dollars was voted, I think, as a start. I spoke often and as forcibly as I could of the necessity for good highways between the producer and his market, or point of shipment. It seemed to me that these were almost as essential as good railway facilities. But under present conditions the carrying of freight by trucks has undoubtedly brought about a reduction of income for the railways. My own opinion now is that perhaps it would have been better if the railways had endeavoured to get control of the highway traffic years ago. Had any actual attempt been made towards that end, however, the railways might have been charged with indulging in further extravagance. Nevertheless such a move was suggested, and if it had been followed the present situation would perhaps have been better than it is. The passenger bus is not so great a menace to the railway lines as is the freight carrying truck.

We could not do away with the system of transportation by trucks even if we wanted to, for the simple reason that the people have become accustomed to it. If you want to send goods from Ottawa to Toronto, say, a truck will back up to your door, and will deliver the parcel to its destination. There is no extra cartage charge at either end. But, as the report suggests, something might be done with the co-operation of the provinces, which own the highways, to bring this form of transportation under the jurisdiction of

some authority that would establish rates not ruinous to the railways, and would require the trucks to operate under certain conditions similar to those under which the railways operate. This plan is in operation in some of the provinces. If that suggestion were carried out, perhaps there would not be so many trucks on the road, for the restrictions might prove too onerous for some of them. At the present time they are under no restrictions at all. A truck can take a parcel from me and deliver it at a certain place for a dollar, and give the same service to someone else for fifty cents. That would be nobody else's business, but of course it is demoralizing to the railways, which have to operate upon schedules and under conditions imposed by the Board of Railway Commissioners.

Before closing I want to emphasize two things. First, that this is a serious situation and that we ought to approach it seriously. I think we shall. Perhaps I should not say this, but it seems to me that in this House, where we have business men who do not have to listen to sectional cries, we are in a better position than the members in another place—where even the electors' whims, be they right or wrong, have to be considered—to deal with this Bill thoughtfully and carefully. I believe that the members of the Railway Committee of this House can be depended upon to do that, and as one member of that committee I can say that I will do so.

Secondly, if the provision for the board of trustees remains in the Bill, I hope the board, in its endeavour to demonstrate its efficiency, will not try to sweep too cleanly and thereby engender fear of dismissal among the employees. I hope that every possible step will be taken to re-establish normal conditions, so that when a man leaves his family in the morning to go to work he will feel confident that so long as he performs his duty faithfully his dinner pail will be full every day.

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

The Senate adjourned until Thursday, November 3, at 3 p.m.

THE SENATE

Thursday, November 3, 1932.

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

Prayers and routine proceedings.

Right Hon. Mr. GRAHAM.

ADMINISTRATION OF PENITENTIARIES

INQUIRY AND DISCUSSION

Hon. JAS. D. TAYLOR rose in accordance with the following notice:

That he will call attention to the matter of the administration of the Ticket of Leave Act and will inquire whether in the case of one Bagley, now a fugitive, any, and if so what, steps were taken to secure his recommittal to the British Columbia penitentiary while awaiting trial for a new offence calling for the revocation of his licence.

He said: Honourable members, by the terms of the notice standing in my name, I have undertaken to speak of the administration of the Ticket of Leave Act, as exemplified by the case indicated, which involves an impropriety so grave as to constitute a public scandal in the province from which I come.

I desire to avoid dealing now with the more notorious affair of the hour, under the same department, namely the attempt at a general jail delivery at Portsmouth, now the subject of departmental inquiry; but I may properly refer to the timely suggestion made the other day by the honourable senator from Toronto (Hon. J. Lewis), that perhaps the Department of Justice is not the branch of government best fitted for the administration of the penitentiaries. I cheerfully adopt that as a case to be made out from the evidence I have to offer to-day.

Responsibility for the general administration of the penitentiaries rests with the Minister of Justice; but in the case of the Ticket of Leave Act it is shared by some other minister, designated by his colleagues.

Discussion or criticism of the operation of this Act does not invade or trespass upon the prerogative of mercy vested in the Crown, which remains independent of local advice, or of legislation. The Ticket of Leave Act was passed in Canada about the beginning of this century, and gave form to a plan whereby, on the advice of the Minister of Justice, any person serving in a penitentiary or other public prison might receive gracious licence from His Excellency the Governor General to be at large in Canada during the remainder of the period covered by his sentence. The licences were to be conditional on good behaviour, and contemplated that the holders should resume their places as useful citizens of the communities from which they had been withdrawn.

The duty of advising the Governor General upon all matters regarding the administration of the Act was assigned to the Minister of Justice or such other member of the Gov-

ernment as might be designated by the Governor in Council. The reason for this provision, as stated at the time it was made, was that the applications had become so numerous as to be beyond the capacity of any single minister to consider. Speaking from memory, I think the number even then was said to be something like four thousand a year. Since that time the number has steadily grown.

It is admitted now to be part of the understanding in our penitentiaries that every convict, unless he be confined for a crime of violence, or under special circumstances of that nature, has virtually the right to apply, and is expected to apply, for a ticket of leave when he has served about one-half of his normal sentence. It seems unnecessary to suggest to Parliament that there is no authority whatever in law for this understanding or practice on the part of the department and the penitentiaries alike. As a result of this very free interpretation of the Act, not only has there been a demand for tickets of leave from all the prisoners entitled to them, but the granting of these tickets has been extended to prisoners to whom even the Governor General has no right, under the Act, to issue them. The Act restricts him to the issuing of licences that require the holders to live somewhere in Canada. I have the Act in my hand, but I will not bother reading the terms in detail. I have made a plain statement of one of the terms, and according to that it is manifestly improper and irregular to request a licence for a person for the purpose of passing him out of the country, as press dispatches have told us has been done recently.

Hon. Mr. CASGRAIN: Is the country not well rid of such persons?

Hon. Mr. TAYLOR: I am discussing the law as it now exists, and not contingencies. The country may be well rid of them, but not under the Ticket of Leave Act. Although we are assured that crimes of violence constitute a bar to the issue of a ticket of leave, there also have been cases where persons confined for crimes of the utmost violence have been let out under a ticket of leave. Very violent crimes have been committed in Ontario by men who were improperly released under the Ticket of Leave Act. I am not for the moment interested in them, for my chief desire now is to call attention to the case mentioned in my notice, the case of one Bagley.

Bagley appeared one day in a bank at Nanaimo, accompanied by three or four desperadoes, all armed. They lined up the clerks of the bank in one place and the

customers in another, and they had told off their forces so that new customers who came in were ordered where to go and were kept under control. The desperadoes kept possession of the bank for ten or fifteen minutes. They could not get into the vault, because the manager, who alone knew the combination, was out. They waited for his return so long as they thought it was safe to do so, and then they took all the cash that was available in the teller's cage—I suppose that was all they could get their hands on—and went away. They were caught and tried, and Bagley was sentenced to ten years in the penitentiary.

In the course of time, I suppose about five years later, this desperado was released on a ticket of leave. How he got it I do not know, nor do I know how to find out. We are told that the law prevents the Department of Justice from giving any information as to tickets of leave, but there is no such provision in the law. The Act distinctly recites that information as to conditions upon which tickets of leave are issued is to be given to Parliament.

About four or five months after his release Bagley and three or four other desperadoes, all armed, robbed the Harrison Hot Springs Hotel, a resort in British Columbia about sixty miles from Vancouver. They tied up the manager and the night watchman, blew open the safe and leisurely took all its contents. Then they drove off in a car, and on their way they dynamited two bridges so that their pursuers would be delayed. The desperadoes made their entry into the United States and were caught by American officers, whose lives they attempted to take, but without success.

Bagley was turned over to Canadian officers who went for him, but these officers apparently were not connected with the Department of Justice, directly or indirectly, and Bagley was not taken back to the penitentiary, as he should have been. In this respect the Ticket of Leave Act is quite clear. Having forfeited his leave, he should have been taken, without intervening proceedings, to the penitentiary, confined there, and later conducted from there to the court for trial; but instead of being treated in this way he remained in the possession of the provincial police, in the Oakalla jail. From there he escaped.

Some five or six months later the police were notified that he was at large in a car in Vancouver. One officer bravely, but incautiously, followed the car, stopped it at a curb and got Bagley out. Bagley had a machine gun in his hand and fired four bullets into the body of the policeman. Fortunately, the policeman has survived. This desperate

criminal made good his escape, but about a month ago was caught in California, armed with a machine gun and accompanied by several confederates. He was recognized as the leader of a band of twenty desperadoes who had committed a series of a score or more crimes in Oregon and California. He pleaded guilty when arraigned, and has now been sentenced to fifteen years in the penitentiary.

I desire to call attention to the hazards imposed upon the guardians of the law in our communities by the release from penitentiaries, on ticket of leave, of prisoners of the Bagley type, and of other types, which are perhaps better known in Ontario than they are to me; also by the wholesale jail delivery resulting from the granting of a ticket of leave to every prisoner who has served one-half of his sentence. These lapses from the observance of the Act on the part of the Department of Justice are serious, not only because they, or at least some of them, indicate a studied disregard of the statute, but also because they have their counterpart in a practice that the Department of Justice is continuing. Portsmouth Penitentiary, if I may mention it, will serve as an illustration. Had the Minister of Justice exercised the control given to him by the Penitentiary Act, perhaps we should not have had the recent disorders at that institution, for there would have been on the job a seasoned warden, a tried and trusted deputy and a chief keeper, instead of only "acting" officers in these most important positions.

I have heard it said, or have read in the press, that the Civil Service Commission is to blame for the delay in filling the vacancies, but as to two of the three positions the considered recommendations of the Commission had been before the Department of Justice for months, perhaps for years, and as to the warden there was surely no necessity to force his retirement months before a successor could be appointed.

Examination of the records discloses that the delay in appointing a warden arose from a deliberate violation by the department of the spirit and the letter of the Penitentiary Act. Section 24 of the Act provides:

Wardens and deputy wardens shall be appointed for the penitentiaries generally, and any warden or deputy warden shall exercise his powers and perform his duties as such in and for the particular penitentiary to which he is from time to time assigned by direction of the Minister.

In this case there was no attempt to appoint a warden "for the penitentiaries generally." On the contrary, on February 24, 1932, the following advertisement was issued:

Hon. Mr. TAYLOR.

Applications are invited from Male Residents of the Province of Ontario qualified for the Position of Warden (Grade 2), Portsmouth Penitentiary—\$4,500 per annum. Department of Justice, Kingston, Ont.

The paragraph dealing with the qualifications required is in these terms:

Education equivalent to high school graduation and preferably university training; five years of experience in a supervisory capacity on the staff of a penal institution or prison, or experience of similar character and standard; familiarity with criminology and prison problems; administrative ability. While a definite age limit has not been fixed for this competition, age may be a determining factor in making a selection.

The provision as to the appointment of wardens for the penitentiaries generally rather than to a particular penitentiary has, I think, been a dead letter ever since the last revision of the Penitentiary Act. When the Bill was before Parliament a few years ago it contained a provision that no one should be appointed warden or deputy warden unless he had served five years in the Penitentiary Service. This House in its wisdom amended the provision so as to leave these positions open to the public, on the theory that the time might arrive when it would be necessary to inject new blood into the Penitentiary Service, and if we made it a statutory provision that no one should be eligible for appointment who had not served five years in a penal institution we should have perhaps to promote unfit officers and so allow the service to become stale. But the Department of Justice never abandoned its practice, and so worded the qualifications required of applicants as to confine selection to men already in the Penitentiary Service. The advertisement which I have quoted produced a large number of applications from very worthy gentlemen, but none of them had had the prescribed five years' penitentiary experience. Thereupon the examining board reported there were no qualified persons available, and consequently the Civil Service Commission could not make an appointment.

The public have been told that the Civil Service Commission is responsible for the extraordinary delay in filling the vacancy. No doubt the Commission can protect itself, but I have in my possession documentary evidence showing that last May the Commission advised the Department of Justice of the report of the examining board. This left it open for the department, without regard to the Civil Service Commission, to make the appointment by way of promotion. But did the department do this? It did not, its violation of the Peni-

tentiary Act by confining applications to Ontario—there being only one penitentiary in this province—having made it impossible for the department to fill the vacancy. Surely there were wardens throughout Canada desirous of promotion to so important a penal institution as Portsmouth, as well as deputy wardens and chief keepers possessing the requisite qualifications, and if the department had thrown the position open to the whole Dominion there would have been no difficulty in making a selection from among well qualified men.

Very recently the department changed its intention—if it had any—to fill the vacancy by way of promotion, and issued another advertisement, dated October 21 of this year. It had had ample time in the interval from May to October to reconsider the matter, but notwithstanding the report of the examining board which had been transmitted to the department in May, the October advertisement contained the same objectionable conditions except the requirement of five years' penitentiary experience. This is the second advertisement:

Applications are invited from Residents of the Province of Ontario qualified for the Position of Warden, Grade 2, Portsmouth Penitentiary—\$4,500 per annum. Department of Justice, Kingston, Ont.

Qualifications Required: Education equivalent to high school graduation and preferably university training; demonstrated executive ability; successful administrative experience of a high order as an officer in military, police, penal or reformatory organizations.

That is the advertisement now before the public. But what does the department propose to do? I have already quoted the section of the Act requiring that wardens and deputy wardens shall be appointed for the penitentiaries generally. That being the only authority governing the appointment of such officers, how does the department justify its action in continuing to advertise for a warden for Portsmouth Penitentiary, thereby violating the whole spirit of the Act?

As I see it, the cause of these things is a complete lack of ministerial attention or control in the matter of the government of penitentiaries. This is not a new condition. For several years past I have had reason to deal in penitentiary matters, and during all this time there has not been, so far as I remember, any minister who manifested a real interest in the penitentiaries for which he was responsible. I say that, saving the presence of our honoured member who once was Minister of Justice (Hon. Sir Allan Aylesworth). I think it was while he was minister that I first came to Parliament, and I should be very sorry indeed to seem to reflect on him in any

way. I am talking about the generally accepted condition. If you turn over in your mind the long list of Ministers of Justice, you will, I think, agree with me when I say that by common consent they avoided penitentiary administration as they would a plague, and that in this respect we have been without the ministerial attention to which we are entitled, because the responsibility has been placed in the wrong department. A man who is qualified to act as Minister of Justice and who, acting upon his qualifications, deals with all the grave questions that come to him as chief law officer of the Crown, has very little time to give to the grievances of prisoners or to applications for tickets of leave. This condition reflects upon the minister, but, I am very sorry to say, it perhaps reflects also, and first of all, upon Parliament, which imposes upon the minister an impossible task.

Other conditions arise from the same cause, and will be cured, if any cure can be applied, at the same time. For this reason I feel that I may be excused for spending a few minutes in discussing them, even though they are not included in the notice I have given. I refer to the general government of the penitentiaries. At the present time an employee of a penitentiary has no appeal whatever when punishment is imposed on him by the superintendent, or by an inspector in the name of the superintendent. It is impossible for him to reach the minister; he is refused any appeal. Very grave injustice has occurred in many cases because of this impossibility of getting ministerial attention. I particularly have in mind cases that during the past four or five years I have brought to the attention of the department again and again—cases in which guards had been compelled by their superiors to take out of the penitentiaries more prisoners than they could reasonably be expected to handle if the prisoners should prove refractory. In one such case a prisoner disappeared. The guard could not go after him, because he dared not leave the other prisoners unattended. This guard was not only dismissed, but was blacklisted in the Immigration Department, the Customs Department and every other department of the Government ordinarily open to a man of his capacity. Most tragic of all was the situation of two guards who, with a snap of the fingers, and without any possibility of appeal, were deprived of their pensions, amounting in one case to \$1,700, and in the other to \$1,400, virtually the savings of a life-time—about as great a cruelty as one man could inflict upon another.

I mention this defect with special confidence at this time because I have in my hand a statement of the right honourable the Prime Minister, who, on being appealed to in the House of Commons on a matter of this kind, made a very distinct pronouncement. He said:

It is the old question that no man can be dismissed from his employment by the Crown without having the opportunity to be heard, as was held by the Privy Council in the Phipps case. Sometimes a narrow meaning is placed upon the expression "removed for cause." It is believed that this would cover charges of misbehaviour, which of course he would have an opportunity to meet, and he may be removed for incapacity. Of course that is almost fundamental; if a man has had a mental breakdown and is no longer able to carry on, it follows that he should be removed from his position. The other provisions, inability or failure to perform his duties properly, come under incapacity; they cover the case if he becomes unfit for the position as it may have expanded, or perhaps was not fit for it when appointed. It is perfectly clear, as I say, that the person concerned must have an opportunity to be heard in his own defence, in any case.

In including these cases in my statement as to the administration of the Ticket of Leave Act I had in mind that if I were able to obtain a consideration of the conditions to which I have referred, some of these unfortunate men might secure money that they have earned by long years of service.

Under these circumstances what I desire is that steps be taken to put an end to the prevailing general jail delivery through abuse of the Ticket of Leave Act; to cause the law to prevail—the King's warrant to run—within the Justice Department as well as within the walls of our penitentiaries, and to put the Ticket of Leave Act and the Penitentiary Act under ministerial control. I suggest that a committee of this Senate might well be appointed to ascertain, first, whether or not the conditions that I have outlined to-day exist; and, second, what steps should or can be taken to improve or remove those conditions.

Right Hon. ARTHUR MEIGHEN: Honourable members, the subject brought before us by the honourable senator from New Westminster (Hon. Mr. Taylor) is undoubtedly one of great importance. It attains a greater importance by being presented by him; this for the reason that through twenty-five years of public life he has given concentrated attention to penitentiary administration. To-day, however, he deals with not merely one phase of the administration, but two. The first centres round the name of one Bagley, who is referred to in the notice; the second is of a more general character,

Hon. Mr. TAYLOR.

with particular reference to the conduct of the Portsmouth Penitentiary, Kingston, and the recent riots there. Inasmuch as the second phase was not included in the notice, I am not specially prepared to deal with it, and I hope the honourable gentleman will not consider me discourteous if I fail to do so.

I have no personal knowledge of the Bagley case, for I am not a member of the staff of the Justice Department, but I wish to make some remarks on that case and also on my honourable friend's interpretation of the law. The Ticket of Leave Act has been in force for many years. It has been administered by the Minister of Justice, who necessarily has assistants who do the actual and more or less routine administrative work, he being responsible for the decisions. This, at all events, was the system followed in my time, and for some four years I was in effect responsible, although I reported to the Governor General through the minister of the day. Apparently the Act has been changed so that the reports to His Excellency the Governor General may now be made direct from the Solicitor General, rather than through the medium of the Attorney-General, or the Minister of Justice.

In relation to the Bagley case it is complained, first, that the Act was violated by a ticket of leave being granted, against the terms of the statute, to a man who had been convicted of a criminal offence involving violence. Secondly, it is complained that there is in the department the more or less routine practice of granting tickets of leave to convicts who have served half their time. Thirdly, it is asserted that there is no report made, even upon inquiry in Parliament, as to the reasons why tickets of leave have been granted; such a report, I understood the honourable member to say, being called for by the Act.

I do not think the honourable member is right in giving to the House the impression that there is a restriction in the application of the ticket of leave provisions as among offenders in our institutions. There is no reference at all to special treatment for persons guilty of crimes of violence. The Ticket of Leave Act, a copy of which I have just obtained, is absolutely general in its application: it gives His Excellency power to grant a licence to any convict as to whom he may be advised by the Minister of Justice—or, now, the Solicitor General—that it is in the interests of justice, of the convict and of the public generally, to grant such a licence. A reference to section 3 of the Act will make this very clear:

The Governor General by an order in writing under the hand and seal of the Secretary of State may grant to any convict—

Mark you, any convict.

—under sentence of imprisonment in a penitentiary, gaol or other public or reformatory prison, a licence to be at large in Canada, or in such part thereof as in such licence shall be mentioned, during such portion of his term of imprisonment, and upon such conditions in all respects as to the Governor General may seem fit.

So the attack on the licence granted to Bagley fails, in so far as it rests on the honourable gentleman's contention.

Hon. Mr. TAYLOR: Would the right honourable gentleman permit me to interrupt him? What I said about that was not quite as quoted. I am familiar with the Act. I said that there had been received from the Department of Justice its interpretation of the Act and a statement of its practice, namely, that the issue of licences is restricted to persons not guilty of crimes of violence. I said, not that the Act so provided, but that this was the practice.

Right Hon. Mr. MEIGHEN: I misunderstood the honourable member, for I thought his point was that the Act forbade the issue to convicts guilty of crimes of violence. I am not aware of any statement from the Department of Justice to the effect that licences are not granted to offenders of that type. I certainly know that there was no such rule during the time I was personally concerned in the administration of the Act. I doubt not that in the case of a convict whose crime was one of violence the very greatest care would be taken before a licence would be issued, but there was never any practice that forbade the issue, and I am certain that licences were issued to many prisoners of the type in question.

The honourable member complains that it is a mistake to fail to give reasons for the issue of licences in individual cases, and intimates that the Act calls for such reasons to be given.

Hon. Mr. TAYLOR: I dislike to interrupt the right honourable member, but that is not what I said.

Right Hon. Mr. MEIGHEN: I do not at all object to an interruption, for I want to understand the complaint correctly.

Hon. Mr. TAYLOR: The Act says that there shall be presented to Parliament each year a return showing the conditions attached to the issue of each licence, with the exception of any conditions that are the same as those contained in schedule A to the Act.

Right Hon. Mr. MEIGHEN: That is the correction I was about to make. The impression I got from the honourable member's address was not the same. There is nothing at all in the Act that forbids the department or the minister to disclose to the public the reasons for recommending to His Excellency that a ticket of leave be granted, but ever since the Act has been in effect the Department of Justice has followed the practice of declining to give those reasons. The general principles underlying that practice have often been disclosed, and have been accepted by Parliament as sound. Whenever an attack has been made by an Opposition—and I doubt not that attacks have been made by members of all Oppositions—the principles have been explained, Parliament has supported the minister in his explanations, and the practice has been continued. It is quite clear that if in these matters the minister made a practice of disclosing the contents of confidential communications—and they are all necessarily confidential—the freedom of the communications would be impaired, and, as a result, it would become impossible for the minister to give to every case that intelligent consideration which must be given. He would not be able to procure information as to the very matters that affect his decision, if those persons from whom that information must be obtained knew that it would be on call of any member of the Senate or House of Commons for public disclosure.

I hope I did not misunderstand the honourable gentleman's third complaint, and I assure him that I have not intentionally misinterpreted him in the other instances. He contends that there should not be a practice of granting licences on the expiration of half of the term of imprisonment. I would ask honourable members to consider whether it is possible to administer this Act without having some such practice grow up. It may become customary to grant a licence after a quarter, a third, a half or three-quarters of a term has been served, but, whatever fraction of the term may be decided upon, would it be possible to administer the Act without some such general rule with respect to first offenders and to those recommended for parole by the warden and the trial judge? I do not see how it would be.

Applications for tickets of leave may come from prisoners, their relatives, wardens, or anyone at all, and they are treated with equal care, no matter who sends them in. In my time the number of those applications would average about fourteen or fifteen a day, and many of them would appertain to first

offenders. Judges and wardens would recommend parole, and perhaps three-quarters of the recommendations would be virtually alike. Necessarily, then, the department has to adopt some general plan, from which of course there will be some exceptions because of the particular characteristics of certain cases. And the custom that has grown up, as nearly as it can be defined, is this. Where the warden who has been responsible for the care of a prisoner advises that parole would be in the interests of the public and of the prisoner, and where parole is also recommended by the trial judge, who had the prisoner before him and heard all the evidence, then, in the absence of special reasons advanced to the contrary, such as some particular knowledge brought to the attention of the minister, parole is usually granted on the expiration of half of the prisoner's sentence, and this wholly irrespective of what the prisoner was before he was convicted.

I do not believe that under any Government favours were shown to anyone because, for example, of his social standing prior to the time of his conviction. I know that wherever I had occasion to make observation, if the prisoner's social standing was used as an argument it was very likely to militate against him rather than to work in his favour. To all who have been attacking the administration of justice on the part of the minister, alleging that it is especially favourable to persons guilty of stealing a million, as the saying is, and who were said to have been of high social status before they entered a penitentiary, I would point out that such a charge will not lie in the case of Bagley, which has been brought to our notice this afternoon. Bagley apparently was just an ordinary crook, differing from the rest only in that he was worse.

As I have said, the Act does not call for the granting of a ticket of leave after any particular portion of a sentence has been served, but how would it be possible to dispose of thousands of applications in a year without having some general principle, which would apply unless there were special causes to the contrary?

The honourable member complains that the department has defied the law in not submitting to both Houses of Parliament a list of all conditions attached to any special licence; that is, where the conditions are other than those specified in schedule A of the Act. I should really be surprised to find that that allegation is well founded. I know that since I came to this House, at the beginning of last session, I have laid on the Table returns under the Ticket of Leave Act. I think I have done so this session. I will

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not contradict the honourable member flatly, because I have not taken special pains to inquire, but I shall inquire and shall be very much surprised if I find that the department has not complied with the Act in this respect.

Hon. Mr. TAYLOR: If I am permitted to interrupt again, I would say that I took the pains to raise that question in the proper quarters, and I was assured that no such return had been made.

Right Hon. Mr. MEIGHEN: I remember presenting a return under the Ticket of Leave Act, but whether it was of the kind required under the statutory provision to which the honourable member referred I am not prepared to say. Certainly this provision should be complied with. But I would ask honourable members to note that the provision is simply this: that if to any licence there are annexed any conditions different from those contained in schedule A of the Act, a list of all such conditions shall be made and laid before both Houses of Parliament. If that were done we should know what special conditions were attached to any licences, but that is all the return would tell us. I cannot see any special object to be served by this section of the Act, but while it is a statute it should be obeyed. Above all, statutes applicable to the Department of Justice should be obeyed.

Now, as to Bagley himself, he was sentenced in 1925 to a term of ten years for a crime of violence. The information that I have at hand would indicate—though I am not prepared to make a definite statement in the matter—that the crime was his first offence in Canada. He remained in prison until 1930. And a fact that was not brought out by the honourable member is that Bagley was also sentenced to twenty lashes, which were administered. He has turned out to be one of those men who have not vindicated the mercy and the judgment that the state exercised in granting him a ticket of leave. After the expiration of half of his term of imprisonment he was released, in conformity with a practice that has grown up, a practice against which a great deal of criticism can perhaps be directed, but also one in favour of which a great deal can be said. That is, he was released in order that he might be available for deportation under our Immigration Act. Then he was deported. But what makes his case a striking one is that he subsequently returned to Canada, committed a gross and ghastly act of violence, and while under arrest for that act assaulted a police officer with murderous intent, and then escaped. Certainly the wisdom of the granting

of a licence in this case has not been established by the subsequent conduct of the prisoner. Now the department has applied for his extradition to this country. He will, of course, have to serve his time for an offence that he committed in the United States. He still has to serve the remainder of his term in this country, and, if convicted on the charge of the second crime of violence committed in Canada, he will have to serve such sentence as is imposed therefor.

I am not saying that mistakes are not made under the present minister, or that none were made under any of his predecessors, including myself, in the exercise of the power to recommend the granting of tickets of leave. If such a recommendation is to be considered a mistake in every case where the person released fails to make good, indictments will have to be levelled very often. I think that such failure does not prove that the minister's judgment was not carefully exercised. It may have been, nevertheless the subsequent events may show that it was wrong. Certainly subsequent events proved it wrong in the present case. But in proportion to the number released on parole the number of those who show that they merited release is very large indeed. I apprehend it would be smaller in the case of persons guilty of crimes of violence than in any other single case.

Now, I do not intend to enter into a discussion of the reflections made by the honourable member with respect to the Portsmouth Penitentiary. Suffice to say that where wholesale jail deliveries thoroughly and carefully planned, as appears to have been the case at Portsmouth, have been put upon the stage of action in other countries, they have never to my knowledge been taken care of by the authorities with quite the same efficiency, thoroughness and success that were demonstrated at Portsmouth. Not one man escaped in an attempt on the part of more than four hundred. And this result was effected without the death of a single convict, a single officer of the law, or any other person. There was slight injury to only one convict. At least, it does not argue the total demoralization of the authority of law and order in Canada.

ANNUAL REPORTS OF RAILWAYS

NOTICE OF MOTION

Hon. J. P. B. CASGRAIN gave notice of the following motion:

That an Order of the Senate do issue for a copy of the annual reports of the Bay of Chaleur Railway and the Quebec and Oriental Railway for the years 1900 to 1910, both inclusive.

He said: These reports might be useful to us in considering the Railway Bill now before the House, as showing how cheaply railways, properly managed, can be run.

Right Hon. Mr. MEIGHEN: Hear, hear.

ACQUISITION OF CANADIAN NATIONAL RAILWAYS

Before the Orders of the Day:

Hon. J. P. B. CASGRAIN: May I ask the right honourable leader of the House (Right Hon. Mr. Meighen) if he will be good enough to secure copies of the bluebook published when the Canadian Northern Acquisition Bill was before the House? Probably he will remember that in about a couple of hundred pages were contained all the details of the transaction, including full particulars of the liabilities of the system. When the Bill was before us, and the late Sir James Lougheed was asked for information with respect to any feature of the transaction, he would refer us to the bluebook at such and such a page for the particulars desired. I have made very diligent search for the bluebook in the Distribution Office, the Library, and the Railway Department, but I have found it impossible to secure a copy. If the right honourable gentleman would get one or two copies—

Right Hon. Mr. MEIGHEN: Of what?

Hon. Mr. CASGRAIN: Copies of the bluebook distributed to all the members of the Senate and the House of Commons when the Bill was put through for the acquisition of the Canadian Northern Railway. The bluebook contained all the details of the property that the Government was taking over—every particular was given of all the lines, their location, liabilities, assets, and so on. It would be a very useful book to have before us now, for it would enable us to bridge the six years between 1917 and 1923. The Duff report deals particularly with the development of the Canadian National Railways from 1923 to 1931, and we should like to see what took place in the preceding six years.

I might add that copies of the Drayton-Acworth report are becoming very scarce. I have a copy, but the honourable member for De Salaberry (Hon. Mr. Béique) tells me he has been trying to get one, but without success. The right honourable leader of the House would be doing honourable senators a favour if he would also secure copies of this report for distribution.

Right Hon. Mr. MEIGHEN: I am very pleased to have the frank statement of the honourable senator that on the acquirement of the Canadian Northern Railway the fullest

details as to liabilities and assets were presented to the House in bluebook form. I am gratified indeed to hear that.

Hon. Mr. CASGRAIN: But you knew it before.

Right Hon. Mr. MEIGHEN: Oh, yes, I knew it; but I have in mind a letter read by the honourable senator himself, about a week ago, in which a number of very distinguished citizens of this country protested against the acquirement of the Canadian Northern Railway, for the very reason that these details were not given. Until I interrupted him the honourable senator was allowing the House to get the impression that no such particulars were given at all. But now I know his innate sense of honour and frankness again reigns supreme in his heart, and he has acknowledged that all this information was given to the public and that the distinguished gentlemen from Montreal were entirely wrong. I will try to see that that valuable material is again presented for the enlightenment of Parliament.

While I am on my feet I want to make a correction myself. I misunderstood the honourable member who has just sat down (Hon. Mr. Casgrain), when in his speech on the Railway Bill he asked me whether or not the \$512,000,000 cost of the railways owned by the Government prior to the Canadian National acquisition policy was included in the \$2,500,000,000 mentioned in the report as the present investment of Canada in railways. My answer was that as the \$2,500,000,000 in my judgment represented debt, the \$512,000,000 was not included. The \$2,500,000,000 odd did not represent debt; it represented the investment; therefore it included the \$512,000,000.

Right Hon. Mr. GRAHAM: I knew that.

Right Hon. Mr. MEIGHEN: The right honourable member should not have let anybody be under a misapprehension, then.

Right Hon. Mr. GRAHAM: I did not like to interrupt.

BRITISH PREFERENTIAL TARIFF

SHIPMENT VIA CANADIAN PORTS

Before the Orders of the Day:

Right Hon. Mr. MEIGHEN: May I make reference to a question put to me by the honourable senator for Saint John (Hon. Mr. Foster), at the last meeting, to which I promised to give an answer to-day?

The question was asked whether, under the preferential treaty now under consideration in another place, free entry into Great Britain of Canadian wheat, say, without the imposi-

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tion of the duty of six cents a bushel, would apply if such wheat should pass through United States territory en route from Canada to the British Isles. The question also went to the extent of asking whether the Government of Canada would be prepared to make representations to the British Government that any grain shipped from Canada should not be entitled to the preference unless it was shipped through Canada, and from a port in Canada, and did not pass through any foreign territory en route.

Apparently this matter is governed wholly by regulations, not imposed by virtue of the treaty, but imposed by the British tariff some few months ago, when relief from the duties was given in favour of the Dominions, provided their goods came in the manner specified in the regulations. The regulations governing the way that grain, or whatever else it might be, had to come to Great Britain in order to be entitled to the preference—in other words, to relief from any duty at all—were all established then, and prevail to-day. A statement of those regulations has been given in the British House. That statement has been transmitted here and is already published. Apparently the regulations are to the effect that if the grain is shipped by single consignment from any place in Canada, and under that consignment gets to a British port, then it does not matter whether it goes wholly through Canada, or partly through the United States, nor does it matter whether it goes from a Canadian port. But the shipment must be direct and must be by a single consignment. If there is to be a reconsignment after it reaches another country, then the grain or other article is not entitled to the preference which the British tariff accords.

It will be seen that this provision, which is wholly a matter for the British Parliament, will undoubtedly have the effect of giving some advantage to Canadian routes and Canadian ports. In this connection—though, I repeat, the matter is under the authority of the Parliament of Great Britain, not of this Parliament—the position of the Canadian exporter has to be very carefully taken into account; also the conditions of transport which prevail at the different ports of this continent, and which at certain times tell rather heavily against Canadian ports.

Reference was made, in the question, I think, to some provision in the treaty between Canada and Rhodesia. My information is that under the treaty with Rhodesia advantage is given, not merely to goods which come direct from Rhodesia, but to the exports of that country, even those which go through a foreign territory and are shipped from a

foreign port. That is to say, Canada in respect of shipments from Rhodesia is doing precisely the same as Great Britain is doing in respect of shipments from Canada. The two sets of regulations are similar in this regard.

I want to emphasize again that it is the responsibility and the prerogative of Great Britain alone to prescribe the regulations under which the preference she gives to Canada is applicable.

THE PRICE OF COAL

Before the Orders of the Day:

Hon. RODOLPHE LEMIEUX: I wish to call the attention of the right honourable gentleman (Right Hon. Mr. Meighen) to a letter that I received yesterday from the Secretary of the Central Council of Municipal Associations of Ottawa. It reads as follows:

Ottawa, Ont., October 29, 1932.

The Honourable Senator Lemieux,
Senate Chamber,
Parliament Buildings,
Ottawa, Ont.

Dear Sir:

The following resolution was passed at our regular meeting and I was instructed to forward same to you:

Whereas from diligent inquiries made by your Executive Committee regarding the price of Welsh coal laid down in Montreal and the price of same delivered to the Canadian consumer, we are of the opinion that the spread is out of all proportion to what a reasonable charge should be;

Therefore be it resolved that this Central Council of Municipal Associations request the Board of Control and the City Council to urge the Government to direct the proper officials to inquire into the cause of the high price of British coal, and to determine whether it is due to the existence of a combine of coal producers and importers, or to existing legitimate charges.

Yours sincerely,

Fred G. Hallt,
Secretary.

I am aware, through the statement made the other day by the right honourable gentleman, that the Dominion Fuel Board is now investigating the whole matter. The only objection I have to this investigation is that it is being conducted behind closed doors; the public are not admitted. But I must say that I have the fullest confidence in Dr. Camsell, the chairman, and the other members of the Board. Dr. Camsell is respected throughout the whole Dominion as a man of unquestioned probity and of outstanding technical ability. I would ask the right honourable leader of the House to refer this resolution to the Dominion Fuel Board, and at

the same time to ask the chairman to make a report of the activities of the Board up to the present time; for the impression still prevails that the spread between the price of coal laid down at the wharf in Montreal or Quebec and the retail price to the public is entirely out of proportion. As to this I personally know nothing, but under present circumstances, when there is such widespread misery, it is not well that the public should be under a false impression—if it is a false impression—and the sooner the Fuel Board makes a report as to the actual state of affairs, the better for the Government and for the public.

Right Hon. Mr. MEIGHEN: I am glad to have the resolution read by the honourable senator. A copy reached my office this morning. An investigation such as requested by the resolution has been under way for some time; it is the one referred to by the honourable member himself. It is true that this is not a public investigation. Nor has it ever been the practice of the Fuel Board to make such investigations public, so far as I know. Honourable members of course realize that a public investigation compels disclosure of the relative costs of purchase and of handling, and a comparison of the facilities of different importers, dealers and retailers. The honourable senator himself knows how reluctant men are to disclose the facts of their business to their competitors. Consequently the members of the Board, no doubt, feel they can get more thorough, more accurate, more dependable information by their present method of inquiry. As soon as they have any finding of sufficient importance they will undoubtedly make it known to the public.

In the meantime I would call the attention of the honourable member to the suggestion, which really amounted to an invitation, that I gave to him on the last occasion when he brought this matter up—that if, having regard to the wisdom of not making unnecessary disclosures, but of making any disclosures that are in the public interest, he feels that this House should appoint a committee of inquiry, there will certainly be no objection raised on my part to such an appointment. As a matter of fact, this House has more time to do the work than any other body in the public service, and if honourable members feel it ought to be done, I suggest to them that it might be a very good idea to take the responsibility on themselves.

CANADIAN NATIONAL—CANADIAN
PACIFIC BILL

MOTION FOR SECOND READING—DEBATE
CONTINUED

The Senate resumed from Friday, October 28, the adjourned debate on the motion of Right Hon. Mr. Meighen for the second reading of Bill A, an Act respecting the Canadian National Railways and to provide for co-operation with the Canadian Pacific Railway System, and for other purposes.

Hon. J. MURDOCK: Honourable senators, this afternoon we once more have under consideration Bill A, an Act respecting the Canadian National Railways and to provide for co-operation with the Canadian Pacific Railway System, and for other purposes. In my opinion, never before in the history of the Senate of Canada has as great and general a personal interest been shown in any measure that came before the Senate for consideration. For weeks and months past this Bill has been anxiously awaited by thousands of citizens of Canada from the Atlantic to the Pacific—railroad employees who, in the years gone by, have staked their all, including their future, on Canadian railroading. A week ago to-day the right honourable leader of this House (Right Hon. Mr. Meighen) presented this Bill to the Senate, and I know that I am speaking for thousands when I express my appreciation of one thing that he said at that time. He said:

While this, of course, is a Government Bill, and will be a Government measure as it emerges, it is the earnest desire of the administration that members on both sides of both Houses should have the utmost freedom in offering suggestions and amendments. What may be considered and demonstrated to be impracticable we are certainly free to reject; what both Houses of Parliament believe to be improvement we are equally free to accept.

Those on whose behalf I intend to speak for a short time this afternoon appreciate the statement of the right honourable gentleman that there is to be free and full discussion, with ample opportunity for consideration of this important measure. With the right honourable gentleman I think that we who occupy seats in Parliament, no matter where they may be located for the time being, should eliminate entirely from our make-up and our thoughts any suggestion of partisanship in relation to this Bill. I trust that in this House such a course will be followed.

Who, I ask, are the greatest sufferers from the railway situation that exists in Canada to-day? As I said a moment ago, tens of thousands of railroad men who staked their all on railroad work are to-day, and have

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been for many months, out of work, many of them never again, perhaps, to engage in their chosen vocation. Individually or collectively they cannot be blamed for that. It is not to their discredit that ten, twenty, thirty years ago they chose to engage in railroading, and it is no fault of theirs that to-day there is nothing for them to do. Generally speaking, I think, they have been what might be termed pretty good sports. They have borne and are bearing to-day their share of the unemployment burden of Canada; they are feeling the consequences of a serious change in railway conditions, a change which they have had no part in bringing about. I crave the indulgence of the House for a little while this afternoon in order that I may discuss the situation and the possibility of alleviating the conditions under which some of these men are labouring.

What has brought about the unfortunate railway situation that exists in Canada to-day? Who is responsible for it? Surely the responsibility cannot be laid at the door of the Canadian railroad men—the conductors, the engineers, the firemen, the brakemen, the telegraphers or any of the craftsmen in the shops. They have had nothing to do with what now appears to be a financial disaster. Many reasons have been given for the disastrous situation in which our railways find themselves to-day, but in my own humble way I want to sum up the causes, as I see them, under three heads, and I ask honourable members to analyse the situation and see whether there may not be something in what I say.

The first main cause of the present railway situation is the insistent demand made in past years by Canadians living in outlying communities that railway facilities be brought closer to their door. Too often this demand has been backed up and furthered and pressed by individuals who were desirous of having the railhead nearer to farms or other lands that they wished to sell to the unwary or to settlers. There is no need now to find fault with that; it has passed into history. We all know that hundreds of miles of railroad were built that never produced enough revenue to pay for the axle-grease on the trains running over them. Some of those lines have been abandoned and torn up, and railroad men think, and I believe we all think, that other portions will be torn up before Bill A, which is now before us, is fully implemented.

In my judgment the second main cause for the railway situation of to-day can be summed up in two words, political expediency. I am throwing no bricks when I suggest this, and I am just as ready to dodge as any other honourable gentleman. And who to-day are the

greatest sufferers from this political expediency? They are the railroad men who, by the thousands, are working part time or not at all.

The third main cause of the railway situation in Canada to-day is irresponsible optimism in spending other people's money. What I say in this regard may, I think, be applied to members on both sides of both Houses of Parliament, without any personal reflection. Without doubt it applies to others, who had under their control thousands of railway operatives in the years gone by.

Two or three weeks ago we received what I regard as a splendidly comprehensive report, made by the Royal Commission appointed to inquire into transportation in Canada. That report is more concise, I believe, than anyone dreamed such a report could be. It has been said that the report leans a little towards one railroad. I do not know about that. I think it can be taken as being generally fair. That is a matter of opinion. In any event, that report deals with many of the factors that tended to bring about the present railway crisis. The Commission, of course, did not enumerate the reasons that are, in my opinion, responsible for the present situation, but gave what it regarded as causes contributing to the railway problem. Number six of those causes is as follows:

Contractual arrangements with labour organizations which set up a rigid wage scale and inflexible labour practices generally.

That is a fair criticism, a criticism that I do not intend to dodge or evade; but this afternoon I should like to go into the question of how those contractual arrangements and the so-called rigid wage scale came about.

Section 190 of the report states:

The wages and conditions of employment of a large majority of the employees of both railways are fixed by agreements with the trade unions concerned.

Section 191 comments on the manner in which those agreements were arranged.

One thing that I should like to do this afternoon is, if possible, to disabuse the minds of honourable members in respect to certain beliefs that they hold. One of these is the belief that the wage-rates of railroad employees were excessively high, and, as some say, largely responsible for the present conditions of the railways. About a year ago I heard two honourable members of this House speaking of railway wages. One of them referred to the annual salary of a railroad employee as \$9,000; the other referred to a \$7,000 salary. There is no question that those honourable gentlemen believed their statements were correct, but both were absolutely

absurd. Those gentlemen thought that the so-called McAdoo award had resulted in exorbitant demands being made on behalf of the railroad employees of Canada. So much has been said about the McAdoo award being responsible for the troubles of the Canadian railways that I am going to ask the indulgence of the House for a moment or two while I show how that award came to be effective here.

I hold in my hand a copy of P.C. 1768, issued on the 16th day of July, 1918, and approved by His Excellency the Governor General. This Order in Council ought to be good, for the right honourable the leader of this House (Right Hon. Mr. Meighen) and the distinguished senator who sits to his right (Hon. Mr. Robertson) were both members of the Government that adopted it. It was good, and it is good. I am sure that both those honourable gentlemen believed that it was equitable, fair and proper at that time, and I doubt very much that they have changed their minds since then to any very great extent. The preamble of the Order in Council says, among other things:

—and it further appears that the railway companies are of the view that the wages paid railway employees in Canada ought to be the same as that adopted in corresponding territories in the United States, as the class of work is the same in both countries. That there is a large interchange of traffic, and that as a result, many employees work in both countries; and on the further grounds that different organizations are international in their scope, and that heretofore the wage scales in both countries have been relatively the same.

That in view of the increased cost of living, wages in Canadian territory should be increased as increased in American territory, by the award commonly known as the "McAdoo" award.

Then it is ordered:

That the scale of wages of railway employees as fixed by the "McAdoo" award in United States territory, including any amendments or extensions thereof, be applied in Canadian territory in so far as all lines of railway owned, operated or controlled by the Government are concerned.

That the wage scales of privately owned railway companies in Canada should be similarly advanced.

I bring this to the attention of honourable members because I have repeatedly heard the statement that the application of the so-called McAdoo award to Canadian railway men was a disastrous thing for Canada. May I suggest that the situation has changed—that for a number of years the wages of railroad men in Canada have been 6½ or 7 per cent below the United States standard, and that about a year ago, when a 10 per cent reduction in wages was negotiated through the

efforts of a board appointed under the Industrial Disputes Investigation Act, the wages of Canadian railroad men were still about 6½ or 7 per cent below the wages of their fellows in similar employment in the United States.

I am quite sure that what I have said will not convert certain honourable gentlemen who really think that Canadian railroad men have been and are now getting too much money. My impression has always been that these honourable gentlemen have not analysed the situation or learned exactly what wages Canadian railroad men received. They have not undertaken to find out why the McAdoo award became effective in the United States, and why it was consequently applied in Canada. I wonder if I may be permitted to quote from what should be a reliable authority to show the necessity in 1918 of giving effect to the McAdoo award in the United States, and of later on, with the assistance of our two good friends opposite, making it effective in Canada. With your permission, honourable gentlemen, I shall quote from a book by William G. McAdoo, entitled "Crowded Years." I do not want to tire honourable members, but let us see what he has to say about it. He is talking about the Railroad Wage Commission that he appointed, and on page 489 of his book he gives a table that shows some of the actual wage increases. I want to quote this table, for I hope it may disabuse the minds of any who have thought that railroad men were very much overpaid. He said:

As I have said, the percentages of increase diminished in the upper reaches of the scale. Employees who received \$150 a month got an increase of 16.17 per cent; those at \$200 a month got an increase of 8.375 per cent; and those at \$250 got no increase. Here are some of the actual increases in dollars:

	1915	1918
	(Per Month)	
Crossing flagmen.. . . .	\$ 39 50	\$ 59 50
Section men.. . . .	37 68	57 68

Section men labour in all kinds of weather to keep the tracks in condition so that you and I may travel safely. The list continues:

Freight conductors.. . .	131 59	158 95
Passenger train engineers	178 46	198 90
Electricians.. . . .	78 44	111 39
Yardmasters.. . . .	131 09	158 95
Passenger train brakemen	85 23	119 85
Engine-house men.. . .	56 58	80 37
Firemen on freight trains	94 10	127 50
Section foremen.. . . .	64 30	91 65
General foremen.. . . .	127 77	155 55

I should like to make another quotation from the autobiography of the very greatly discussed and abused McAdoo, the author or sponsor of the so-called McAdoo award. Here is what he says on page 490:

Hon. Mr. MURDOCK.

I have never done anything in my life that gave me so much satisfaction as raising the pay of the railroad employees. To have been the means of providing a decent living wage for two million men and women makes me feel happier than to have been President of the United States.

Yet there is nothing I ever did, in my entire public career, that brought down so much criticism on my head. Not then; not when it happened. At that time everybody was for it. I do not recall even one objection to the raising of wages when it occurred. Every railroad executive with whom I discussed the matter thought the subject should receive my immediate and most urgent attention.

After the war, however, there was a different tone. Some commentators declared that I had spoiled the whole body of railroad employees by giving them more pay all around. Other invidious critics said and wrote that I had a political purpose in mind; in other words, I had shrewdly schemed to raise wages so the railroad men would help elect me President of the United States. Professor Charles Seymour, in his "Woodrow Wilson and the World War," says that I made "concessions to labour" and implies that my so-called concessions put labour on a high horse, with a consequent result of general demoralization.

For the benefit of Professor Seymour and of others like him, I say here that when I became Director-General the subject of raising wages had passed completely out of the sphere of argument, and had become a long-standing national disgrace. It was not a matter of concessions. The real question was whether the roads could be operated at all on starvation wages. I solved it by giving the men and women of the railroads at least enough to live on.

I trust that honourable members who have heard so many things about the McAdoo award, on the ground of its so-called inequity to the Canadian public and its advantages to Canadian railroad men, will read that statement for themselves, for it was made by a man who, I think it may be said, has held more very high positions than any other man on the North American continent. Surely his judgment is worth something.

Hon. Mr. LEMIEUX: Will my honourable friend permit me to interrupt him? In connection with the table that he quoted a moment ago, will he state what were the relative increases in the wages of the more highly paid employees, such as the conductors?

Hon. Mr. MURDOCK: The table shows that the wages for freight conductors were raised from \$131.59 in 1915 to \$158.95 in 1918.

Hon. Mr. McLENNAN: What about passenger conductors and engineers?

Hon. Mr. MURDOCK: I think their increases were in about the same proportion. And it should be remembered that the employees of all the classes referred to in the table were given increases because none of them were near the \$250 mark at that time.

Hon. Mr. LAIRD: I should like to ask the honourable gentleman a question. Is it not true that the main objection of the public, with respect to the McAdoo award, was not so much to the increase in the scale of wages as to the evils that arose out of certain rules and regulations connected therewith, whereby ridiculous rates for overtime were allowed?

Hon. Mr. MURDOCK: I have no doubt that my honourable friend is right so far as the public are concerned. The eight-hour day had been in effect since 1916, or two years before these increases were made, and rules applying to overtime had been in general effect for many years. It is true that the rule of time and a half for overtime was adopted here. Perhaps in some cases it applied in an exacting way, while in other instances it was said to have speeded up the service and saved money for the companies. You can take whichever view you like, for there is something to be said on both sides. But there is no doubt the public thought some of the rules attached to the McAdoo award were unreasonable and unduly exacting.

I should like to give a demonstration of how the rates work out in actual practice. One year ago we were engaged in conference with railroad officials in Montreal, and we were before a board of investigation dealing with a proposal that the railroad men should accept a reduction of ten per cent in their pay cheques from month to month. A settlement was made which brought about that condition, but during the negotiations before the investigating body both railroad companies submitted statements known as "Railway Submission No. 13-a," and "Railway Submission No. 13-b." Number 13-a is for the Canadian National Railways, and 13-b is for the Canadian Pacific Railway. These railway statements give the names of ten employees in each of various classifications, such as passenger engineers, firemen, conductors, brakemen, baggagemen, freight engineers, firemen, conductors, brakemen, locomotive engineers and freight trainmen, in each division over the entire systems. With the permission of the House, I should like to place these submissions on Hansard, so that they will be available for future reference. Honourable members who have thought that railroad men were being paid unduly high wages would do well to analyse these figures. It will be seen that the Canadian Pacific statement, for example, quotes the wages of ten employees in the

various classes in the districts of New Brunswick, Quebec, Ontario, Algoma, Manitoba, Saskatchewan, Alberta and British Columbia, and shows the number of days worked, the hours actually on duty, the miles paid for and the compensation. I do not think that honourable members could obtain such a complete picture in any other way. I could not expect to have a general acceptance of my own statement, unsupported by evidence, that the wage rates are not unduly exacting or exorbitant, and I know that honourable members would like to see the companies' figures. Therefore I ask permission to place them on record.

Right Hon. Mr. MEIGHEN: I am only too glad to accede to the request, so far as I am concerned. I think they should be placed on the record. Will the honourable gentleman tell us how the ten employees in the various classes were selected? Was the selection just by chance?

Hon. Mr. MURDOCK: No. The railroad companies made the selections. I would not under any circumstances charge that they selected the instances most favourable to themselves. I think, though, that since a case was being presented against the employees, the companies would have been rather lax in their own interests if they did not pick out the best instances that they could find in each division. We take no exception to that. We are assuming—though I do not state this as a fact—that the ten men in each of those classes and divisions were the ten most highly paid men in that class and division in the month of October, 1931.

I would ask honourable members to please bear in mind, when analysing these rates of pay, that they are now subject to a ten per cent reduction, which became effective on December 1, 1931.

Hon. Mr. McLENNAN: May I ask if the union made any objection as to the accuracy of these figures?

Hon. Mr. MURDOCK: Oh, no. We have been doing business with the officers of the railroad companies for so long that we do not make objection of that kind to figures that they present. We accept the companies' word. They said that the statements were taken from their pay-rolls. We believed that, and accepted the statements as accurate.

RAILWAY SUBMISSION

No. 13 (a)

CANADIAN NATIONAL RAILWAYS

ATLANTIC REGION

Compensation Paid Certain Employees in Running Trades, Regularly Assigned, Month of October 1931.

Name	Days re-ported	Hours worked	Miles paid for	Amount	Name	Days re-ported	Hours worked	Miles paid for	Amount
				\$ cts.					\$ cts.
Passenger Engineers—					Passenger Engineers—				
W. Rushton.....	19	159	4,376	283 58	J. Creamer.....	21	244	4,911	181 61
A. Johnson.....	26	303	4,691	300 51	C. Mingo.....	26	347	5,947	192 26
W. B. McKenzie....	19	160	4,387	284 28	F. G. McLaughlin..	27	259	5,160	190 89
F. Chisholm.....	28	158	4,340	281 25	S. Thomas.....	26	374	6,037	195 16
R. Hamilton.....	28	157	4,376	283 58	W. F. Kerr.....	27	365	6,272	217 71
Ross McCabe.....	26	158	4,363	282 74	J. A. Rodgers.....	27	300	5,067	175 55
R. W. Baird.....	13	164	4,563	295 67	Freight Engineers—				
E. Doyle.....	20	241	4,677	288 07	A. S. McKenzie....	26	249	3,555	279 00
W. E. Atkinson....	19	160	4,385	284 16	A. H. Reid.....	17	178	3,497	272 48
A. McKenzie.....	13	158	4,312	279 43	M. J. Mitton.....	18	191	3,526	272 51
Passenger Firemen—					Passenger Firemen—				
T. Burris.....	26	150	4,047	204 92	W. S. Lutes.....	13	213	3,736	298 79
J. H. McAllister..	17	142	3,921	197 59	G. Crowell.....	27	169	3,855	301 60
J. Shannon.....	13	150	4,128	208 11	J. J. Coleman.....	16	199	3,656	281 56
W. Condon.....	28	158	4,340	218 78	W. Carson.....	18	169	3,704	287 81
D. Campbell.....	26	216	4,691	233 91	T. Eagles.....	18	179	3,719	292 61
A. B. Crowe.....	25	255	4,393	208 42	P. Lebel.....	26	191	3,523	277 38
R. S. Dunbar.....	22	180	3,992	201 48	S. Williams.....	31	150	3,555	276 83
H. K. Muir.....	27	338	4,223	199 48	Freight Firemen—				
S. McCallum.....	18	172	3,959	199 50	T. Millar.....	16	155	3,293	196 88
J. C. McDonald....	17	182	4,041	201 21	E. Gaskin.....	16	164	3,299	193 64
Passenger Con-ductors—					Passenger Con-ductors—				
W. Capson.....	27	316	6,227	278 26	C. McDonald.....	14	170	3,174	191 10
C. H. Trueman....	24	265	5,268	239 79	J. B. McFadden....	17	196	3,357	195 97
J. A. St. Pierre....	17	170	5,308	237 28	H. A. Carey.....	15	191	3,483	205 40
Z. Berube.....	24	297	6,150	273 78	G. Dick.....	29	156	3,482	209 15
H. A. Baker.....	27	316	6,376	284 86	N. Grondin.....	29	139	3,325	198 73
F. J. Druhan.....	25	293	5,819	259 91	W. Huntington....	24	180	3,269	198 12
R. Doyle.....	24	278	5,527	247 31	H. B. Smith.....	24	238	3,427	206 68
A. J. McDonald....	29	357	6,694	298 93	A. S. McDonald....	23	220	3,172	191 70
G. A. McKay.....	26	299	6,039	270 00	Freight Conductors—				
J. H. Pushie.....	21	228	5,279	235 99	F. A. Fowlie.....	20	218	3,799	234 02
Passenger Brakemen—					Passenger Brakemen—				
R. A. Boyce.....	25	288	5,683	177 75	G. W. Henderson..	17	223	4,285	263 92
G. B. Boyce.....	23	311	5,352	167 64	W. J. McKenzie....	21	230	4,001	246 44
J. F. Armstrong....	25	289	5,694	178 31	J. A. Stronach....	14	200	3,948	243 17
J. W. Rioux.....	17	170	5,310	166 19	W. Sullivan.....	17	181	3,704	228 19
A. A. Fisher.....	24	321	5,625	176 10	A. J. Jessulate....	28	251	4,085	251 65
C. G. Tibbits.....	25	358	5,775	181 11	E. Vitcan.....	23	215	4,141	255 10
A. G. Chisholm....	27	365	6,272	196 35	W. McGinn.....	31	269	4,342	267 44
D. A. McDonald....	21	228	5,316	166 39	A. A. Ayer.....	24	223	4,134	254 75
Paul White.....	21	228	5,310	166 19	J. S. Spinney.....	27	244	3,521	216 92
W. T. Whitney.....	21	228	5,299	165 86	Freight Brakemen—				
Passenger Baggage-men—					Passenger Baggage-men—				
H. T. Reynolds....	25	304	5,833	188 81	A. T. Auffrey.....	15	209	3,990	193 13
J. Raymond.....	27	189	5,245	181 99	F. Hoar.....	14	200	3,943	190 82
W. Ross.....	20	200	6,185	200 38	L. A. Phillips....	17	175	3,647	176 50
E. Banville.....	17	170	5,428	175 88	J. B. Gallant.....	25	240	3,786	183 23
					R. Clavette.....	26	247	3,885	188 05
					C. E. Fisher.....	28	246	3,937	190 55
					R. W. Robinson....	21	192	3,742	181 10
					J. J. Trites.....	20	201	3,753	181 65
					P. Arsenault.....	18	162	3,629	175 67
					S. T. McKenna....	20	219	3,808	184 33

QUEBEC DISTRICT

Compensation Paid Certain Employees in Running Trades Regularly Assigned, Month of October 1931.

Name	Days reported	Hours worked	Miles paid for	Amount	Name	Days reported	Hours worked	Miles paid for	Amount
				\$ cts.					\$ cts.
Passenger Engineers—					Freight Engineers—				
E. Mitchell.....	23	151	4,765	307 35	F. A. Moreau.....	31	163	5,627	193 64
A. M. Hall.....	27	200	5,026	317 70	E. Roberge.....	31	164	5,626	193 60
Ben Tremblay.....	26	190	4,788	302 25	J. A. Blais.....	26	222	4,802	189 68
Alb. Pare.....	18	207	4,742	299 52	J. W. Palmer.....	14	182	5,495	188 94
J. Hayston.....	27	149	4,597	294 33	M. P. Sammon.....	14	180	5,500	187 99
A. Roberge.....	23	144	4,438	287 57	Freight Firemen—				
A. H. Sturton.....	18	192	4,699	293 19	Alb. Wells.....	22	233	3,790	290 49
V. Bariteau.....	23	200	4,590	293 80	Jas. Smith.....	27	264	3,595	289 70
H. C. Messiah.....	22	204	4,749	298 25	J. C. Lussier.....	20	233	3,754	288 05
John M. Penny.....	29	171	4,519	288 78	Alf. Demers.....	20	223	3,748	287 53
Passenger Firemen—					Peter Renaud.....	22	235	3,551	261 99
Geo. Denery.....	17	178	4,540	278 73	App. Ouellet.....	26	198	3,600	273 71
D. Sheridan.....	27	193	4,507	213 00	Fred. Bouchard.....	18	206	3,540	271 88
J. N. Lizotte.....	26	173	4,212	205 55	E. Leveille.....	26	229	3,337	267 31
Sam Ferland.....	27	164	4,153	202 65	Ph. Boulet.....	24	177	3,375	255 31
Chas. Carmody.....	25	179	4,198	198 20	Arm. Beliveau.....	18	194	3,311	258 03
Teles. Cote.....	20	123	3,850	194 10	Freight Conductors—				
J. E. Pelletier.....	18	130	4,071	205 23	L. S. Pelletier.....	24	188	3,511	200 51
L. E. Theriault.....	20	124	3,844	193 80	J. E. Beaulieu.....	18	194	3,314	196 25
L. Turgeon.....	21	178	4,108	203 78	J. T. Morin.....	16	186	3,129	182 17
Art. Chatigny.....	20	124	3,869	195 05	Elp. Patry.....	20	174	3,199	186 53
Passenger Conductors					C. E. Lebrun.....	22	222	3,063	186 02
D. P. Caron.....	21	248	5,970	268 45	J. D. Dionne.....	18	177	2,951	175 31
F. Forgues.....	26	216	5,909	264 14	Rod. Robert.....	23	247	3,370	192 35
D. MacVicar.....	15	193	5,890	263 28	Ad. Belanger.....	22	189	3,303	188 24
J. O. Dicarie.....	27	179	5,906	261 72	J. A. Pelletier.....	17	200	3,248	194 99
L. Lambert.....	31	244	5,808	259 11	Alb. Fontaine.....	19	195	3,284	190 64
A. Fortier.....	24	160	5,912	258 51	Freight Conductors—				
G. Ault.....	27	177	5,766	256 05	P. Carle.....	26	267	4,152	267 75
W. Paradis.....	31	164	5,626	251 54	M. Bovingdon.....	23	263	4,136	264 33
F. St. Laurent.....	27	106	5,667	250 02	E. Desrochers.....	24	209	3,483	220 57
A. Jarrest.....	16	159	5,590	249 88	A. Gagnon.....	29	273	3,730	230 14
Passenger Brakemen—					A. Lacroix.....	31	300	3,995	246 33
A. Hartcourt.....	29	214	6,835	207 25	C. W. Roselle.....	24	217	3,451	221 59
W. P. Hannon.....	16	214	6,283	196 65	Jos. Landry.....	28	208	3,748	239 13
W. J. Jordan.....	16	214	6,283	196 65	C. Murray.....	23	246	3,765	247 51
M. Alain.....	17	213	5,664	181 11	H. Camlre.....	21	220	3,831	238 78
W. Thom.....	14	180	5,508	178 04	G. A. Bonneau.....	20	207	3,736	233 34
H. Bussieres.....	24	157	5,768	177 37	Freight Brakemen—				
A. Wright.....	31	163	5,627	176 15	A. Beaudoin.....	28	269	3,599	174 32
A. Morneau.....	27	106	5,667	175 27	E. Vibert.....	24	209	3,483	173 20
H. Laporte.....	14	180	5,498	172 40	R. H. George.....	24	274	4,034	198 13
R. L'Heureux.....	24	199	5,453	170 70	E. Pouliot.....	28	208	3,748	187 78
Passenger Baggage-					R. Trempe.....	24	247	3,851	185 96
men—					H. A. Laporte.....	20	234	3,612	184 09
W. Cavanagh.....	16	206	6,296	216 69	A. Herard.....	24	214	3,450	181 28
H. Leclerc.....	27	186	6,017	207 11	J. G. Roberge.....	19	201	3,567	174 97
J. B. Weldon.....	15	193	5,890	202 60	N. Hetu.....	19	205	5,557	174 71
J. Asprey.....	27	180	5,875	202 18	O. Marcoux.....	27	230	3,372	172 62
J. Olivier.....	23	158	5,805	199 46					

MONTREAL DISTRICT

Compensation Paid Certain Employees in Running Trades, Regularly Assigned, Month of October 1931.

Name	Days reported	Hours worked	Miles paid for	Amount	Name	Days reported	Hours worked	Miles paid for	Amount
				\$ cts.					\$ cts.
Passenger Engineers—									
R. T. MacLeay.....	16	113	4,949	320 37	E. Marchand.....	25	215	5,607	207 58
R. King.....	16	118	4,894	316 70	T. Tapp.....	24	217	6,356	206 43
E. A. McDonald.....	13	172	4,912	314 38	R. Poitras.....	27	171	5,130	202 98
A. Lyons.....	22	166	5,011	308 87	L. Riel.....	26	211	5,401	201 65
J. N. Lalonde.....	24	149	4,796	306 36	I. McNeil.....	16	132	5,552	198 24
J. Clarke.....	24	154	4,774	305 53					
C. E. S. McBurney..	31	117	4,699	304 38	Freight Engineers—				
W. H. Taylor.....	24	153	4,749	303 81	W. Eccles.....	11	242	3,932	304 89
J. R. Thom.....	26	294	4,734	300 01	G. Fellows.....	29	265	3,776	301 74
J. Callahan.....	30	116	4,609	298 56	M. O'Connell.....	20	172	3,773	285 49
					M. T. Ashe.....	26	226	3,722	283 48
Passenger Firemen—					A. Gauvreau.....	20	170	3,746	283 28
G. S. Day.....	27	307	4,888	238 48	J. R. Rawlings.....	22	196	3,735	282 05
R. J. Day.....	15	111	4,617	231 93	T. B. Dixon.....	15	237	3,664	277 04
W. W. Lay.....	16	111	4,587	230 79	C. E. Watt.....	13	223	3,547	275 73
C. S. Woodard.....	22	144	4,605	227 79	M. J. O'Connell.....	22	188	3,644	274 86
R. L. Hosley.....	26	185	4,516	220 96	W. N. Jacques.....	14	237	3,526	271 10
P. W. Smith.....	25	276	4,488	219 59					
F. Savoy.....	25	175	4,469	219 09	Freight Firemen—				
W. Barker.....	25	284	4,460	217 17	J. R. Sherrock.....	28	249	3,584	217 30
G. H. Cook.....	13	164	4,309	216 52	J. H. Gibson.....	23	192	3,746	214 08
C. O. D'Wyer.....	28	185	4,394	216 14	A. Watson.....	19	171	3,651	209 01
					J. Harper.....	19	164	3,579	204 89
Passenger Conductors—					C. Owens.....	25	236	3,493	203 01
O. Bannon.....	26	170	6,171	294 88	J. Talbot.....	14	223	3,431	196 27
J. A. Beckstead.....	19	155	6,593	294 69	A. Andrews.....	20	184	3,352	192 60
P. A. Gleason.....	17	227	6,426	287 19	A. Gingras.....	21	172	3,330	190 02
A. Sangallo.....	27	217	5,929	285 14	G. Collins.....	9	199	3,191	188 48
E. F. McCann.....	27	218	5,862	282 41	H. S. Moultroupe...	19	184	3,203	188 01
J. Conley.....	22	153	6,301	281 68					
D. Welsh.....	18	143	6,248	279 27	Freight Conductors—				
F. Laviolette.....	18	160	6,248	279 27	W. R. Marsh.....	28	189	4,048	249 68
B. Robinson.....	18	138	6,246	279 18	A. McCready.....	21	245	3,815	244 04
A. White.....	27	177	5,744	277 08	F. Bowman.....	11	221	3,768	238 43
					A. Anderson.....	15	159	3,849	237 08
Passenger Brakemen—					G. H. Stewart.....	21	174	3,803	234 42
P. H. Conrad.....	27	193	6,090	205 03	H. A. Rowley.....	20	227	3,679	234 16
G. Tyler.....	25	220	5,869	196 86	D. R. Fraser.....	21	206	3,665	233 83
R. Montpetit.....	18	160	6,248	195 54	J. J. McDonald.....	21	165	3,761	231 79
P. H. Ouellette.....	27	220	5,611	189 49	W. E. Newton.....	20	200	3,558	227 39
T. F. Olstead.....	21	145	6,014	188 23	A. Nicol.....	17	202	3,530	226 71
F. Larin.....	24	153	5,566	186 36					
L. Bonhomme.....	17	182	5,899	184 62	Freight Brakemen—				
A. Lefebvre.....	30	205	5,779	180 92	L. M. Bergeron....	14	208	3,792	191 59
F. T. Clements.....	29	172	5,641	176 47	W. Bishop.....	30	252	3,555	189 03
H. Ferguson.....	16	127	5,568	174 26	E. M. Montgomery.	11	221	3,768	187 24
					A. J. E. Jeannotte..	11	221	3,768	187 24
Passenger Baggage-men					J. G. Sereney.....	21	174	3,803	184 17
A. R. Whittemore...	24	186	6,865	236 54	T. Yaxley.....	20	227	3,679	183 85
E. Boivin.....	18	146	6,254	225 81	E. Huard.....	29	239	3,425	183 61
F. Binette.....	25	220	5,870	218 07	W. E. Easton.....	20	235	3,638	183 06
A. Vance.....	26	185	5,851	218 03	F. C. Shaffer.....	20	235	3,638	183 06
W. A. Davenport...	24	153	5,566	215 28	R. E. Parsons.....	21	165	3,761	182 13

SOUTHERN ONTARIO DISTRICT

Compensation Paid Certain Employees in Running Trades, Regularly Assigned, Month of October 1931.

Name	Days reported	Hours worked	Miles paid for	Amount	Name	Days reported	Hours worked	Miles paid for	Amount
				\$ cts.					\$ cts.
Passenger Engineers—					Passenger Engineers—				
W. N. Perry.....	18	138	4,762	307 81	W. E. Latimer.....	28	150	5,731	205 71
H. P. Wilson.....	28	213	4,920	310 86	A. G. Gray.....	16	198	6,079	217 50
W. F. Flint.....	24	231	5,438	343 56	C. A. Deadman.....	16	180	6,001	214 24
E. Little.....	16	202	5,335	337 14	A. S. Peckham.....	24	163	5,950	213 17
W. Campbell.....	16	168	4,954	317 01	F. Joanes.....	15	187	5,701	203 93
H. J. Carruthers....	23	142	4,867	313 31	Freight Engineers—				
C. M. Hicks.....	25	206	5,033	310 00	W. E. Rowell.....	18	197	3,875	299 31
G. Millman.....	25	182	5,004	319 59	H. W. Cardwell....	17	158	3,908	295 36
J. Mulholland.....	31	181	4,911	313 23	J. Morris.....	19	162	3,601	288 18
W. Ellison.....	31	178	4,908	312 81	J. N. Norwood.....	19	139	3,771	285 08
Passenger Firemen—					J. L. Shannon.....	19	173	3,835	306 26
F. W. McLean.....	15	138	4,612	230 14	D. D. Taylor.....	19	216	3,805	288 89
J. Ingram.....	25	123	4,537	233 33	J. P. Woodcock.....	9	149	3,619	274 72
F. F. Farnell.....	30	123	4,857	243 26	G. M. Flowers.....	19	205	3,743	282 44
L. A. Woodman.....	16	202	5,332	260 32	A. H. Wheatcroft...	9	148	3,604	273 61
E. Amory.....	21	209	4,887	230 78	P. Lasenby.....	22	204	3,968	207 70
W. E. Palmer.....	26	160	5,490	274 37	Freight Firemen—				
R. W. Crozier.....	16	169	4,692	232 55	T. Mattingley.....	18	169	3,844	219 87
G. McWhirter.....	16	172	4,769	237 59	W. Spendlow.....	19	139	3,771	215 69
J. A. Kerr.....	14	137	4,585	240 14	G. H. Newman.....	9	148	3,604	207 04
W. Burns.....	15	140	4,594	229 79	J. Tinkham.....	17	151	3,609	206 46
Passenger Conductors—					J. McKay.....	17	195	3,403	195 53
W. H. Van Horne...	16	172	6,040	269 97	W. C. Wareham.....	18	167	3,564	204 67
W. H. Simpson.....	16	191	6,397	285 95	N. R. Aiken.....	18	177	4,051	230 83
F. G. Windner.....	27	195	6,170	275 60	J. Martin.....	18	158	3,657	209 86
F. Thompson.....	19	156	6,636	296 61	C. E. Hobbs.....	18	177	3,575	204 65
C. F. Robinson.....	18	204	6,271	280 29	G. H. Gulliver.....	13	178	3,737	219 91
A. Martin.....	18	200	6,249	279 31	Freight Conductors—				
A. White.....	26	251	6,058	270 92	D. J. Beeson.....	26	226	4,245	275 97
M. A. Van Horne...	27	242	6,160	275 42	J. E. Forbes.....	15	197	3,847	248 51
J. S. Kitchen.....	22	242	6,032	269 15	G. H. Harris.....	14	168	4,151	255 89
W. J. Durkin.....	28	177	6,238	278 44	J. J. McKeever.....	18	152	4,048	250 38
Passenger Brakemen—					G. F. Boylan.....	20	174	4,188	258 61
H. B. Thrasher.....	16	168	5,570	174 32	C. H. Pinkney.....	21	173	4,383	270 29
J. H. Allison.....	16	179	5,559	173 93	W. Forbes.....	21	187	4,283	266 11
J. W. Schram.....	25	200	6,367	198 79	W. Finkle.....	27	199	4,204	261 03
C. Erskine.....	17	153	5,914	185 09	J. H. Flesch.....	25	211	3,973	249 42
J. J. Cotter.....	16	137	5,552	173 76	H. F. Phillips.....	26	227	3,994	265 85
J. B. Adams.....	26	165	5,807	181 54	Freight Brakemen—				
F. J. Gormican.....	26	164	5,622	178 53	F. W. Connor.....	19	167	3,847	186 46
J. Stewart.....	15	187	5,701	178 41	R. Nash.....	21	194	4,276	207 24
H. A. McLean.....	24	165	5,958	186 39	J. Morrison.....	18	160	3,786	183 42
T. H. O. Dowding..	15	185	5,701	178 43	W. Garvin.....	11	164	4,145	200 73
Passenger Baggage-					W. R. Wilson.....	19	168	3,868	188 98
men—					E. E. Burns.....	23	170	3,597	175 62
E. A. Sharpe.....	16	131	5,595	200 53	E. R. Vanalstine...	24	188	3,717	181 48
W. P. Foley.....	27	173	6,056	209 21	F. L. Beadle.....	19	174	3,741	183 49
J. J. Murphy.....	27	272	5,810	213 36	J. E. Borthwick....	21	133	3,941	190 89
J. H. Jay.....	25	179	5,797	207 42	T. H. Art.....	22	213	3,314	170 88
H. H. Elder.....	27	170	5,864	210 81					

NORTHERN ONTARIO DISTRICT

Compensation Paid Certain Employees in Running Trades, Regularly Assigned, Month of October 1931.

Name	Days reported	Hours worked	Miles paid for	Amount	Name	Days reported	Hours worked	Miles paid for	Amount
				\$ cts.					\$ cts.
Passenger Engineers—					W. Butcher.....				
A. Stewart.....	31	186	5,673	363 06	21	209	5,315	176 99	
J. G. Tye.....	15	159	5,055	327 11	G. W. Tomlinson....	27	199	5,408	175 09
J. H. Scott.....	13	139	4,378	283 67	W. O'Melia.....	27	204	5,484	177 55
P. Gauvreau.....	16	160	4,695	303 99	J. B. Dunn.....	26	202	5,248	170 03
W. Park.....	25	187	4,743	307 30	J. P. Polly.....	18	216	5,403	175 05
J. E. Warren.....	26	178	4,879	308 38	Freight Engineers—				
E. P. Ayers.....	24	180	4,547	293 96	A. E. Matthews.....	24	204	4,076	308 12
W. Munro.....	31	145	4,906	317 39	W. J. Johnson.....	23	216	4,227	319 87
C. H. Currie.....	25	169	4,503	286 07	M. J. Kenney.....	20	220	3,647	306 84
J. A. Boyd.....	15	150	4,426	286 83	J. E. Thompson.....	23	207	4,226	310 67
Passenger Firemen—					G. B. Poles.....	22	215	4,076	308 42
J. McCollum.....	23	138	4,209	210 25	E. H. Hawker.....	23	195	3,864	291 60
A. C. Sharkey.....	12	125	4,029	203 11	J. L. Corkum.....	24	274	3,758	292 69
F. T. Guilfoyle.....	25	171	4,671	228 00	H. Deevey.....	23	190	3,823	288 99
G. Kashner.....	26	142	4,272	208 24	G. Lusk.....	21	183	3,823	289 16
E. H. Firman.....	22	150	4,117	200 69	L. Huskins.....	21	186	3,800	287 53
J. H. Wetherup.....	22	165	4,158	209 59	Freight Firemen—				
W. Sharp.....	23	155	4,196	201 14	H. R. Storry.....	19	175	3,381	207 11
R. J. Taylor.....	27	126	4,270	215 12	R. W. Orr.....	21	185	3,750	215 22
E. A. C. Kelland....	26	155	4,316	211 93	L. C. Kerr.....	19	160	3,410	198 31
W. G. Clute.....	29	179	4,065	204 91	R. J. Boyes.....	17	167	3,198	185 37
Passenger Conductors—					G. A. Ward.....	20	163	3,379	193 25
C. McDonnell.....	14	202	6,087	272 05	J. Valley.....	19	168	3,469	191 06
W. Comb.....	16	213	6,955	310 85	W. H. Matthews....	20	162	3,447	197 07
C. E. Drewitt.....	14	188	6,104	272 82	P. J. Coyne.....	21	170	3,469	198 37
A. Clark.....	14	159	5,536	247 50	J. J. Brady.....	19	126	3,028	186 56
J. Falby.....	12	137	4,967	222 03	J. Bowness.....	20	156	3,341	196 83
A. Small.....	27	199	5,408	241 58	Freight Conductors—				
W. A. Hunt.....	27	204	5,484	244 77	L. H. Aldrich.....	28	222	4,521	280 51
L. A. Riddell.....	25	181	5,170	230 22	J. A. Aubrey.....	31	218	4,531	278 99
T. R. H. Hamilton....	25	186	5,080	226 93	G. T. Dunn.....	31	226	4,533	279 11
G. W. Clark.....	18	228	5,337	238 47	S. N. Furness.....	21	198	4,551	281 82
Passenger Brakemen—					R. Corrigan.....	25	257	3,873	274 52
J. Overend.....	13	188	5,644	176 69	J. R. Hill.....	23	223	3,687	258 54
F. E. Lee.....	13	189	5,656	177 07	F. E. Christopher...	24	178	3,694	244 88
C. R. Birch.....	14	163	5,591	175 00	B. J. D. Perkins....	23	270	4,005	261 91
R. V. Devlin.....	21	209	5,310	166 22	J. B. Lancaster....	23	220	3,453	239 13
A. Henderson.....	27	199	5,408	169 13	E. D. Austin.....	22	204	3,878	238 83
N. Harper.....	27	204	5,484	166 69	Freight Brakemen—				
C. J. Harper.....	27	186	5,080	169 05	C. I. Thorington....	23	209	3,990	205 52
W. J. Junke.....	13	189	5,652	176 94	R. M. Sweezey.....	26	191	4,144	205 99
W. Balsden.....	13	189	5,658	177 16	N. Austin.....	23	169	3,699	192 41
J. A. Rutledge.....	14	159	5,536	173 32	R. Bukerfield.....	24	170	3,606	188 36
Passenger Baggage-					P. Cousineau.....	25	174	3,836	185 55
men—					D. A. McLellan....	27	188	3,949	195 69
J. W. Boyle.....	14	202	5,644	182 87	J. A. Woodruff.....	27	191	3,973	196 99
F. E. King.....	12	176	5,225	169 30	C. E. Menifoe.....	22	189	3,727	186 83
J. J. Madden.....	13	189	5,656	183 26	E. H. Hamilton.....	22	220	3,453	187 81
A. M. Wilson.....	12	177	5,258	170 38	M. T. Sagadore....	21	196	3,712	179 11
T. Fenlon.....	14	159	5,536	179 36					

SASKATCHEWAN DISTRICT

Compensation Paid Certain Employees in Running Trades, Regularly Assigned, Month of October 1931.

Name	Days re-ported	Hours worked	Miles paid for	Amount	Name	Days re-ported	Hours worked	Miles paid for	Amount
				\$ cts.					\$ cts.
Passenger Engineers—									
W. E. Moher.....	13	158	4,412	279 06	C. S. Barnes.....	21	273	5,544	187 41
J. Culbert.....	27	157	4,698	304 12	J. O. Burton.....	21	240	5,636	185 86
R. J. Hill.....	19	157	4,621	294 16	G. Elley.....	27	256	5,858	213 19
W. Virtue.....	31	207½	5,012	318 08	J. R. Thorndyke....	18	175	5,115	168 30
E. Morais.....	11	193	4,954	313 04	G. A. Monette.....	21	239	5,611	185 38
A. G. Bryce.....	31	172	4,951	320 75	Freight Engineers—				
E. D. Jackson.....	29	160	4,638	300 47	J. Cameron.....	17	228	4,044	311 35
G. Proulx.....	15	156	4,808	311 47	R. L. Hebbard.....	15	218	4,445	341 42
H. H. Mabee.....	28	177	4,775	302 10	F. Kendall.....	21	238	4,423	336 19
James Willis.....	28	168	4,613	298 49	J. R. Lyons.....	17	267	4,463	341 69
Passenger Firemen—					F. R. Scroth.....	20	295	5,133	393 88
S. R. Alexander.....	23	168	4,143	202 88	I. A. Slough.....	24	312	5,389	410 15
A. Milles.....	31	175	4,489	222 73	C. E. Smith.....	20	253½	4,698	355 15
S. A. Ward.....	27	141	3,597	193 28	R. F. Sunderland....	24	283	5,153	389 05
W. Armstrong.....	21	169	3,711	175 18	L. Walden.....	19	273	4,848	366 55
W. Duke.....	23	226	4,949	234 83	G. Wills.....	16	203	3,976	306 15
W. P. Gray.....	22	159	3,510	209 39	Freight Firemen—				
E. Gerry.....	21	185	3,890	183 63	G. T. Durnin.....	15	201	3,664	215 41
J. W. Porter.....	23	172½	4,194	204 68	C. F. Dahl.....	15	183	3,135	183 91
J. Couley.....	21	171	4,235	206 76	B. Krislock.....	20	214	3,715	231 91
T. M. Wilson.....	22	167	4,067	207 10	L. D. Machan.....	14	192	3,537	207 99
Passenger Conductors					C. M. Ross.....	19	232	4,044	235 89
J. A. Albrant.....	15	184	6,200	292 66	R. E. Conrad.....	17	228	4,047	227 16
R. J. Dallas.....	14	172	5,803	273 89	G. Matlock.....	18	210	3,853	226 57
W. J. Raup.....	15	179	6,202	292 74	C. Hunter.....	17	255	4,340	253 17
H. J. Robinson.....	16	197	6,622	312 53	B. Campbell.....	19	215	3,747	215 65
H. Gamble.....	27	228	5,464	258 60	W. Davie.....	17	205	3,519	194 76
N. S. Hepburn.....	14	203	5,354	252 84	Freight Conductors—				
G. S. Roth.....	23	294	6,073	293 84	W. J. Elliott.....	28	282	5,633	352 15
C. E. Hambleton....	21	240	5,636	266 41	E. A. Hobson.....	30	290	5,592	350 26
W. J. Newell.....	31	214	6,367	305 94	J. E. Calvert.....	25	305	5,282	336 47
W. G. Evans.....	27	246	6,244	298 41	M. Lukkon.....	27	301	5,330	333 81
Passenger Brakemen—					C. C. Stewart.....	27	309	5,557	347 40
F. A. Sewry.....	26	255	5,858	197 44	J. L. McIntyre.....	31	336	6,155	385 43
A. B. Christy.....	21	240	5,636	180 69	R. P. Campling.....	29	299	5,349	337 11
G. Tait.....	27	171	5,200	165 36	W. S. Hodgson.....	30	344	5,366	335 44
R. R. Borden.....	27	228	5,464	175 66	B. W. Flood.....	29	295	5,220	327 29
C. A. Hodges.....	29	191	4,910	157 14	J. A. McKnight....	31	291	5,777	361 25
S. R. Dunlop.....	24	209	4,887	156 68	Freight Brakemen—				
F. Lethbridge.....	30	190	5,053	161 55	P. L. Sauve.....	21	221	4,017	198 66
A. Galipeau.....	18	174	5,112	162 54	H. Pitt.....	23	229	4,085	201 90
H. A. Robinson.....	14	172	5,803	186 69	S. L. N. Dewar....	24	271	4,695	231 83
P. A. Delong.....	25	294	6,077	197 70	J. J. Murphy.....	24	218	4,278	210 09
Passenger Baggage-					Robt. Quigley.....	24	241	4,385	215 97
men—					W. Reilly.....	22	224	4,172	211 78
E. A. Churcher.....	14	171	5,782	199 50	E. L. O'Hara.....	26	312	4,856	238 47
G. J. Wilson.....	14	169	5,798	199 51	H. K. O'Brien.....	27	265	4,687	231 30
P. R. Sandress.....	13	193	4,983	163 85	A. E. Ball.....	22	227	3,905	194 78
F. A. Purvis.....	27	193	5,834	220 45	A. Killick.....	24	242	4,657	228 74
Jas. Wedge.....	27	228	5,464	189 73					

ALBERTA DISTRICT

Compensation Paid Certain Employees in Running Trades, Regularly Assigned, Month of October 1931.

Name	Days reported	Hours worked	Miles paid for	Amount	Name	Days reported	Hours worked	Miles paid for	Amount
				\$ cts.					\$ cts.
Passenger Engineers—					Freight Engineers—				
R. Bryce.....	16	208	5,190	342 52	H. W. McNaughton.....	15	181	5,991	207 11
G. T. Robinson.....	21	201	5,265	332 74	J. E. Poulton.....	25	255	5,983	205 78
N. T. Fenby.....	27	145	4,628	300 00	A. R. McLeod.....	20	228	5,648	195 30
W. J. Croteau.....	16	193	5,077	320 85	H. Sills.....	14	172	5,599	193 59
E. A. Young.....	15	164	4,895	317 27	G. E. Welsh.....	16	185	5,361	191 91
E. C. Nehring.....	15	164	4,890	316 95	Freight Firemen—				
D. Greenlees.....	24	186	4,805	307 98	F. Brooks.....	24	275	4,682	351 82
G. Low.....	27	203	4,796	303 02	N. Staiger.....	28	261	4,262	327 16
W. D. Jackson.....	29	178	4,800	302 22	L. Jones.....	24	223	4,155	325 37
J. H. Cherry.....	16	179	4,775	301 76	S. A. Johnson.....	20	195	3,933	312 15
Passenger Firemen—					L. T. Jardine.....	24	204	4,064	307 23
H. Gough.....	15	172	4,110	201 01	H. Sommers.....	19	213	4,079	306 85
A. H. Haffie.....	12	139	3,900	189 59	T. Nelson.....	20	203	3,785	300 80
F. Drouin.....	13	150	4,161	218 47	O. E. Bild.....	18	229	3,993	299 60
E. C. Cummings.....	25	158	4,125	201 31	A. E. Gall.....	23	208	3,871	291 92
J. Desjardins.....	20	151	3,854	197 67	G. Walker.....	17	257	3,878	333 10
A. Kerr.....	13	150	4,164	214 69	Freight Firemen—				
N. F. Jacobson.....	20	178	4,815	235 03	J. Batchelor.....	25	227	4,258	252 80
Geo. Neath.....	18	156	4,086	263 61	P. Gunn.....	17	178	3,362	242 54
S. J. Miller.....	17	188	4,280	206 03	O. Knutson.....	18	210	3,651	311 54
A. R. Green.....	18	135	3,170	154 71	V. L. Reilly.....	19	213	3,640	208 45
Passenger Conductors—					F. J. Higgins.....	18	187	3,778	211 82
J. J. Vance.....	18	230	6,537	314 07	L. A. Faulkner.....	19	187	3,508	223 92
A. G. Webster.....	18	231	6,606	311 81	Fraser E. G.....	21	202	3,707	220 53
D. McGrath.....	18	229	6,590	310 82	F. Hornby.....	17	182	3,384	195 48
A. McGarrity.....	16	197	6,403	302 19	C. H. Duke.....	18	207	3,479	197 28
J. J. Cole.....	27	283	6,376	300 93	P. A. Hawkins.....	18	187	3,495	200 93
G. H. Fishleigh.....	18	221	6,316	298 10	Freight Conductors—				
W. Legatte.....	18	208	6,028	284 49	W. J. Connelly.....	28	260	5,271	334 32
W. J. Hardie.....	15	184	6,005	283 41	O. I. Croonquist.....	31	233	4,788	299 08
Jas. Patterson.....	21	238	5,879	278 35	T. J. O'Leary.....	31	247	4,661	297 87
C. H. Gorman.....	24	238	5,720	269 95	W. Covey.....	31	222	4,692	293 18
Passenger Brakemen—					S. O. Sutherland.....	25	245	4,578	292 04
D. J. O'Donnell.....	16	197	6,403	203 62	W. W. Rutter.....	29	227	4,478	286 70
T. Chasty.....	26	257	6,192	196 89	C. E. Taplin.....	21	287	4,456	284 27
H. B. Gorman.....	15	182	5,991	190 52	H. M. Clendenning..	19	216	4,482	279 88
A. N. Loney.....	15	182	5,991	190 52	G. E. Baldwin.....	19	263	4,447	278 28
E. P. Otterson.....	18	202	5,763	183 41	P. D. McCormack..	26	225	4,232	269 99
J. M. McCready.....	14	172	5,606	178 27	Freight Brakemen—				
C. B. McClure.....	14	172	5,605	178 25	A. Griffiths.....	23	233	4,657	234 54
H. D. McColl.....	16	198	5,521	175 54	P. T. Turner.....	22	236	4,366	215 06
F. Dumont.....	23	241	5,426	172 48	A. Gibbons.....	26	201	3,950	201 06
W. J. Mills.....	21	190	5,422	172 44	H. W. Webb.....	24	232	4,007	198 08
Passenger					M. R. Lough.....	25	222	3,967	196 76
Baggagemen—					B. McDonald.....	22	200	3,869	196 13
A. G. Woodward....	18	221	6,190	221 13	V. K. Bellock.....	18	254	3,801	192 70
S. Grierson.....	16	197	6,403	220 67	D. A. Elliott.....	20	200	3,646	186 22
V. H. McLeod.....	16	204	5,848	217 12	J. P. McEvoy.....	25	193	3,569	180 96
S. O. Nicholson.....	16	203	5,824	216 03	B. Plaxton.....	20	166	3,152	159 86
H. M. Cans.....	18	209	6,024	215 65					

BRITISH COLUMBIA DISTRICT

Compensation Paid Certain Employees in Running Trades, Regularly Assigned, Month of October 1931.

Name	Days re-ported	Hours worked	Miles paid for	Amount	Name	Days re-ported	Hours worked	Miles paid for	Amount
				\$ cts.					\$ cts.
Passenger Engineers—					H. A. Chadwick....				
M. J. Allen.....	28	211	4,786	315 26	G. H. Surbey.....	20	247	5,598	194 82
T. M. Blackwood...	23	211	4,981	327 65	W. H. Sherman....	20	218	5,091	167 76
N. Dohm.....	16	175	4,035	258 50	N. E. Bennett.....	13	132	4,500	148 05
F. J. Fallon.....	15	207	4,658	299 96	W. McKay.....	24	231	5,457	179 96
W. R. Harritt.....	16	207	4,643	298 99	W. H. Thorne.....	14	141	4,500	148 05
J. H. Jones.....	27	207	4,752	292 68	Freight Engineers—				
G. Lackey.....	26	161	3,956	257 90	L. Baker.....	20	224	3,891	296 46
J. F. Moffatt.....	26	201	4,706	307 21	H. Boyr.....	20	226	4,127	317 17
J. Scott.....	24	187	4,383	288 50	W. M. Cortrite....	23	262	4,196	312 02
A. L. Smith.....	17	204	4,729	301 72	C. Gotshall.....	17	238	3,867	303 65
Passenger Firemen—					J. A. Moore.....				
R. R. Anderson....	25	158	3,701	178 32	D. A. McKenzie....	20	269	4,280	331 33
W. Graham.....	26	195	4,413	211 42	F. E. Pheasant....	22	246	3,992	299 85
H. H. Hodgson....	26	157	3,865	194 35	J. C. Robertson....	21	230	4,047	302 36
C. Simons.....	15	203	4,867	236 92	L. P. Smyth.....	19	262	4,219	318 85
H. Tanner.....	24	141	3,250	163 46	J. Stinson.....	27	278	4,952	378 19
Note—Due to increase in seasonal wheat traffic, other men running in both passenger and freight.					Freight Firemen—				
Passenger Conductors—					O. B. Hoover.....				
E. Durrell.....	19	218	5,059	239 04	G. Fraser.....	19	207	3,803	214 39
T. H. Hartford....	20	229	5,337	252 26	H. J. Lawrence....	21	228	3,854	216 26
H. M. Meyers.....	21	257	5,877	278 42	E. J. Frenette....	18	215	3,514	193 52
J. W. Montgomery..	21	254	5,810	274 74	J. H. Worsfold...	16	203	3,554	199 77
W. G. Morrow....	20	224	5,117	241 68	J. Hutton.....	15	177	2,929	163 65
W. D. Moxley....	13	132	4,500	212 40	L. McNeil.....	15	149	2,445	130 64
D. E. Murphy....	26	251	5,916	279 66	J. M. McCawley..	16	196	3,359	179 47
P. D. McKenzie....	21	240	5,610	265 03	A. B. McLean....	21	249	4,253	231 81
H. P. O'Hagan....	27	316	6,968	337 90	A. E. Key.....	11	138	2,254	133 38
A. Shelton.....	16	199	4,492	212 50	Freight Conductors—				
Passenger Brakemen—					S. J. Buchanan....				
J. J. Dohm.....	21	239	5,562	177 19	C. Cameron.....	30	308	5,494	350 50
E. Bull.....	20	230	5,367	171 06	J. Dinsmore....	30	294	5,478	350 70
W. R. Stewart....	21	257	5,877	188 15	G. M. Graham....	29	298	5,590	353 93
C. B. Hambling....	21	258	5,888	187 90	D. Leddy.....	29	318	5,805	370 85
W. R. Edgett....	21	239	5,577	177 63	Z. Pigeau.....	30	326	5,764	367 76
D. H. Dillong....	20	247	5,598	178 75	B. Reynolds....	30	295	5,388	343 85
G. E. Manchester..	20	251	5,673	181 15	E. A. Shaw.....	29	298	5,351	341 88
A. P. Nicholl....	22	241	5,597	178 41	H. S. Fromhart..	29	281	5,003	320 21
T. Fortin.....	25	242	5,690	181 45	J. W. Fea.....	23	263	3,964	255 93
C. H. Durham....	20	228	5,367	170 94	Freight Brakemen—				
Passenger Baggage-men—					A. J. Boss.....				
F. O. Diaper.....	20	226	5,237	172 66	G. D. McLellan..	21	226	4,239	211 71
J. D. Colt.....	21	257	5,877	204 49	T. C. McKenzie....	20	215	4,093	207 53
W. J. Wocks.....	18	218	4,985	173 13	C. H. Glascock...	23	233	4,227	214 84
A. L. Johnston....	21	237	6,500	181 20	G. E. Warning....	25	279	4,396	225 71
					W. H. Essex.....	25	238	4,426	224 46
					J. Goble.....	21	217	3,749	190 09
					J. M. Early.....	21	193	3,828	187 26
					F. Darlow.....	18	201	3,544	179 66
					E. Hess.....	21	228	3,500	180 97

RAILWAY SUBMISSION

No. 13 (b)

CANADIAN PACIFIC RAILWAY

Highest Compensation, October, 1931—Ten Passenger Locomotive Engineers Each District

Name	Compen- sation	Calen- dar days worked	Hours actu- ally on duty	Miles paid for	Name	Compen- sation	Calen- dar days worked	Hours actu- ally on duty	Miles paid for
	\$ cts.					\$ cts.			
N. B. District—					Manitoba District—				
Michaud, J. A.....	300 20	19	219	4,811	Fregau, J.....	306 12	27	139	4,783
Campbell, R. D.....	241 04	24	162	2,600	Kelley, G.....	316 41	28	143	4,944
Campbell, D. C.....	288 32	18	183	3,024	McKenzie, G. S.....	319 49	16	170	4,992
Cooney, E. M.....	281 61	16	151	3,360	McLaren, D.....	304 19	27	144	4,753
Kaine, E. E.....	277 05	20	278	2,640	Atwell, H.....	267 63	22	169	4,270
Lee, Geo.....	257 73	26	161	2,772	Fisher, L.....	300 79	15	167	4,718
McKenna, E. T.....	272 65	27	170	2,940	Herbert, J.....	290 30	14	128	4,536
McKiel, J. M.....	257 98	25	172	2,800	Hollingshead, W.....	314 43	16	180	4,913
Simpson, A.....	275 49	24	190	2,651	Tyndall, G. H.....	302 59	29	148	4,728
Watters, H. J.....	289 52	25	208	2,479	Wilson, W.....	319 93	16	159	4,999
Quebec District—					Saskatchewan Dis- trict—				
Hagan, J.....	320 11	29	227	4,955	Allward, F. C.....	354 81	21	222	5,614
Davidson, J. H.....	316 62	15	190	5,014	Baxter, J. B.....	352 34	28	177	5,575
Fournier, E.....	316 86	24	174	5,003	Botterell, F.....	330 73	15	187	5,287
Lafontaine, E.....	316 17	31	133	4,885	Brimble, H.....	327 95	31	228	5,160
Impey, H. K.....	308 59	27	181	4,850	Griffen, H. H.....	320 58	31	175	5,009
Dixon, W. J.....	315 64	31	137	4,875	Haigh, G.....	320 38	31	181	5,008
Cuddy, J.....	313 60	27	169	4,900	Cooper, W. A.....	315 98	28	185	4,966
Alexander, J.....	313 29	15	126	4,893	Delbridge, W.....	314 69	30	149	4,917
Rouleau, F.....	311 96	26	224	4,936	Humble, J.....	314 48	27	202	4,976
Chisholm, J. P.....	307 20	29	162	4,857	Drever, W. R.....	313 73	27	201	4,964
Ontario District—					Alberta District—				
Murch, L.....	310 81	24	180	4,918	Cotton, J.....	339 25	22	191	5,368
Newman, J.....	308 23	27	135	4,877	Edwards, W.....	327 12	21	183	5,174
Upthegrove, W.....	305 41	29	131	4,772	Gooch, T.....	360 36	31	221	5,702
Woods, F.....	305 28	20	127	4,770	Hobkirk, A. H.....	356 44	23	203	5,640
Walton, R.....	304 14	30	127	4,728	O'Neill, J. F.....	334 39	22	189	5,291
Boylan, J. F.....	302 65	30	127	4,705	Elkins, A. B.....	322 06	27	177	5,096
Lloyd, T.....	301 03	26	136	4,678	Edmonds, W.....	334 39	23	194	5,291
McTaggart, M.....	300 95	25	173	4,762	Corbett, H. L.....	339 06	25	178	5,327
Bagnall, R.....	299 38	18	213	4,860	McKay, R. J.....	346 01	27	204	5,324
Stewart, A. E.....	299 12	25	173	4,733	Allott, F.....	303 09	20	178	5,354
Algonia District—					British Columbia District—				
Carmichael, R.....	307 97	29	175	4,812	Armstrong, W. J.....	317 85	15	189	4,875
Drake, G. W.....	300 95	16	171	4,762	Crick, F. W.....	330 19	27	213	4,967
Gagnon, H.....	303 65	29	190	4,416	Moscrop, R. A.....	328 35	31	187	5,036
Gorman, M. J.....	319 80	16	172	4,997	Solloway, A. E.....	328 87	31	187	5,044
Gravelle, T.....	326 14	14	175	5,096	Stingley, W. H.....	330 94	27	213	4,976
King, C.....	302 85	13	166	4,732	Fee, T. W.....	329 32	31	210	5,051
Leigh, W.....	312 04	31	176	4,878	Hookey, F.....	368 83	29	245	4,760
Lyons, J.....	316 44	23	205	5,007	Williamson, G.....	355 74	31	221	4,608
Porter, G. E.....	329 27	24	216	5,210	Gordon, T.....	346 92	29	251	4,778
Stokes, J.....	312 78	30	174	4,897	Humphrey, L.....	334 90	28	241	4,610

Highest Compensation, October, 1931—Ten Freight Locomotive Engineers Each District

Name	Compen- sation	Calen- dar days worked	Hours actu- ally on duty	Miles paid for	Name	Compen- sation	Calen- dar days worked	Hours actu- ally on duty	Miles paid for
	\$ cts.					\$ cts.			
N. B. District—					Manitoba District—				
McKendrick, N. D.	306 69	19	256	3,935	Bruce, W.	346 55	24	209	4,637
Bull, H. C.	300 98	27	266	3,892	Campbell, A.	379 35	26	235	5,058
King, W. R.	276 80	27	270	3,652	Grant, A. E.	352 17	25	221	4,702
Swift, J. F.	272 38	26	271	3,622	Snider, D.	342 68	24	226	4,543
Logan, A. A.	271 22	16	236	3,552	Hunter, W.	347 10	21	285	4,618
Monteith, J. L.	266 92	21	243	3,441	McAdam, H.	357 04	26	357	4,730
Barney, J.	273 38	27	165	2,841	McGregor, D. G.	302 58	21	216	3,978
Durant, W. F.	267 81	26	197	3,051	Sharpe, V. B.	338 65	24	318	4,437
Peer, R. E.	268 69	23	205	1,012	Dale, F. S.	316 90	22	294	4,190
Robinson, S.	277 97	23	198	2,966	Harris, M.	279 99	21	242	3,833
Quebec District—					Saskatchewan Dis- trict—				
Paige, H. W.	339 31	24	330	4,512	Wilson, J. H.	434 13	27	340	5,985
Frechette, A.	321 62	21	242	4,647	Barnes, G.	420 31	28	440	5,758
Heuston, A. T.	308 92	25	273	4,108	Green, W.	415 77	28	404	5,459
Lamontagne, J.	302 60	23	281	4,024	Davey, J.	405 79	27	329	5,587
Fontaine, A.	294 88	26	269	3,654	Sutherland, A.	396 32	25	328	5,372
Holdship, W.	292 20	20	231	4,036	Elliott, C. G.	395 10	26	323	5,445
Huard, L.	292 65	26	281	3,881	Burns, A.	383 68	27	389	5,093
Smith, S.	289 37	26	221	3,848	Fowler, E.	380 07	31	281	5,192
Beaudry, J. A.	288 31	21	229	3,920	Horsman, F.	377 71	29	286	5,100
Galichaud, E.	283 02	21	237	4,086	Hogan, M.	371 20	24	264	47,98
Ontario District—					Alberta District—				
Ferguson, A.	325 17	26	221	4,346	Adamson, W.	400 44	28	366	4,730
Wordley, J. W.	311 96	26	266	4,027	Bell, F. E.	391 65	27	287	4,850
Weese, H.	307 35	22	201	4,071	Dawson, J.	362 65	26	237	4,589
McClement, W. H.	298 29	23	275	3,844	Fleming, J.	399 36	28	275	5,194
Pinkney, J.	291 77	23	281	3,856	Rutherford, W. G.	364 95	25	346	4,319
Cardiff, W. D.	288 00	26	205	3,700	Richards, A.	397 85	31	271	5,314
Conroy, C.	287 61	23	262	3,721	Shields, W. J.	373 80	30	301	5,163
Bere, W.	286 82	25	251	3,684	Driscoll, F.	375 54	27	344	5,072
Barlow, S.	283 01	25	266	3,647	Gillespie, M.	376 36	27	347	4,454
Milne, W.	282 85	27	264	3,645	Hodsmyth, W. A.	366 30	28	276	4,820
Algonia District—					British Columbia District—				
Drake, G.	320 01	27	272	4,128	Hay, W.	383 48	27	285	4,966
Eamond, J.	290 00	24	268	3,996	Hull, T. G.	362 91	26	261	4,702
Morrison, H.	323 27	15	208	4,276	McDougall, D. R.	378 96	25	266	4,928
Nesbitt, J. E.	316 54	24	221	4,187	Saunders, A. S.	363 43	25	263	4,726
Roach, J.	298 70	16	185	3,851	Urquhart, S.	392 13	26	279	5,092
Ricketts, F. C.	290 41	18	236	3,918	Waugh, T.	397 37	26	303	5,141
Sheppard, R.	315 72	21	298	4,177	Carmichael, J.	365 66	27	247	4,294
Stark, F.	299 53	16	203	3,950	Stevens, M.	367 50	25	291	4,444
Watters, J.	321 93	23	304	3,998	Johnson, W. J.	379 83	27	265	4,405
Yandon, N.	294 16	25	284	3,900	Bourne, E. J.	377 12	27	341	4,536

Highest Compensation, October, 1931—Ten Passenger Locomotive Firemen Each District

Name	Compen- sation	Calen- dar days worked	Hours actu- ally on duty	Miles paid for	Name	Compen- sation	Calen- dar days worked	Hours actu- ally on duty	Miles paid for
	\$ cts.					\$ cts.			
N.B. District—					Manitoba District—				
Downey, L. B.....	216 06	18	219	4,560	Clarke, W. H.....	228 83	16	184	4,611
Fleming, G. A.....	215 09	18	219	4,587	Hicks, J. J.....	174 74	20	104	3,523
McKinnon, C. P.....	180 58	15	173	3,809	Stowe, A.....	192 35	22	114	3,878
Dow, G. T.....	201 37	29	175	3,393	Barnes, J.....	188 52	21	131	3,769
Elgee, C. C.....	188 62	18	250	2,376	Begg, W. R.....	175 19	13	103	3,532
Fowler, F. G.....	184 12	24	150	2,600	Davies, L.....	218 84	16	174	4,499
Green, F. L.....	179 87	29	144	2,436	Hutchison, R. H.....	180 32	12	129	3,695
Miller, J. F.....	186 57	27	155	3,087	Jones, J. A.....	177 17	14	107	3,572
Swazey, H. L.....	190 16	19	164	3,063	Scott, J. A.....	193 83	19	125	3,908
Whipple, F. R.....	175 09	29	143	2,436	Pineau, J.....	160 91	17	114	3,260
Quebec District—					Saskatchewan Dis- trict—				
Henry, A.....	246 63	25	250	5,054	McAllister, J.....	225 46	22	181	4,620
Plunkett, W.....	243 25	15	196	4,937	McEwen, D.....	219 92	14	161	4,517
Maley, W. J.....	235 68	30	245	4,827	Nicholl, D. C.....	219 51	16	210	4,498
Ward, E.....	234 63	25	235	4,170	Walker, W. J.....	212 96	18	145	4,364
Sharp, E.....	232 38	28	211	4,704	Gay, M. R.....	212 08	19	172	4,246
Bigelow, C. J.....	233 77	29	138	4,743	Byers, C. W.....	210 04	19	152	4,299
Rocheleau, F.....	230 31	23	149	4,706	Martin, R. A.....	209 99	27	169	4,303
Hills, R.....	229 76	24	164	4,688	Walker, W.....	208 89	22	157	4,235
Sauve, J.....	227 07	16	152	4,578	Banks, C.....	208 45	30	138	5,226
Allport, R.....	228 85	22	151	4,633	Bacon, F. B.....	206 80	30	144	4,722
Ontario District—					Alberta District—				
Burke, G. E.....	203 47	31	122	4,100	Congdon, B. A.....	207 25	24	120	4,247
Palmer, J.....	203 30	22	124	4,077	Jones, J. R.....	200 32	24	115	4,105
Doherty, J.....	204 20	25	146	4,105	Shorthouse, D.....	209 39	27	166	4,295
Floto, F. H.....	206 18	24	181	4,201	Connolly, A.....	197 40	26	135	3,980
Kelly, J.....	206 82	27	113	4,153	Goff, J.....	205 54	24	148	4,144
Tinkham, J.....	206 82	19	170	4,238	Bryan, J. W.....	210 10	25	207	4,892
Belfry, H.....	201 48	26	156	4,195	Lowden, J. S.....	225 09	22	164	4,528
Pruse, A. W.....	207 69	22	146	4,256	Thurston, J.....	224 66	22	160	4,516
Grimwood, W.....	208 07	16	111	4,195	Weeks, J. W.....	199 37	20	158	3,999
Patterson, W. J.....	208 47	26	133	4,203	Yeats, G. W.....	211 25	20	161	4,265
Algoma District—					British Columbia District—				
Block, L.....	230 15	15	149	4,484	Koelkenbeck, A....	209 03	23	173	4,125
Fricke, G.....	213 08	31	141	4,323	Segur, V.....	198 82	23	189	3,571
Fish, G.....	224 90	15	180	4,163	Deptford, C. D.....	180 39	24	163	3,785
Graham, R. E.....	238 78	15	163	3,496	Drimmie, H.....	192 59	23	168	3,493
Moodie, J.....	243 75	23	218	4,995	George, H.....	206 58	25	175	4,107
McNicoll, A.....	216 65	18	151	4,368	Osborne, W.....	228 38	29	216	4,441
McCoshen, J. D.....	262 37	25	161	4,973	Bartholomew, R....	202 90	25	192	4,099
Roy, A.....	256 35	31	170	5,044	Gray, W. R.....	219 60	24	206	3,958
Thomson, W.....	218 26	29	168	4,398	Russell, G.....	183 00	20	176	3,301
Watts, G.....	233 75	23	207	4,790	Killins, H.....	202 71	25	192	4,095

Highest Compensation, October, 1931—Ten Freight Locomotive Firemen Each District

Name	Compen- sation	Calen- dar days worked	Hours actu- ally on duty	Miles paid for	Name	Compen- sation	Calen- dar days worked	Hours actu- ally on duty	Miles paid for
	\$ cts.					\$ cts.			
N. B. District—					Manitoba District—				
Dee, W. F.....	213 60	24	243	3,424	Blake, A.....	221 15	22	189	3,849
Slater, J. H.....	208 98	17	243	3,643	Burgess, W. C.....	195 54	20	166	3,337
Sproul, J. H.....	204 28	26	271	3,622	Dargavel, P.....	222 93	19	185	3,806
McLellan, H.....	203 28	24	251	3,472	Fullford, J.....	207 13	19	175	3,586
Wakem, P. A.....	202 64	22	248	3,514	Gander, E.....	200 39	20	179	3,420
Jewett, H. P.....	199 65	26	260	3,517	Hives, H.....	211 68	20	193	3,629
Davis, G. W.....	184 60	27	251	3,273	Jackson, H.....	221 56	22	183	3,796
Eryant, T.....	204 22	27	165	2,841	McClatchie, G.....	198 31	19	169	3,393
Burnett, J. E.....	187 59	23	153	2,850	McDougall, J. B.....	222 64	19	181	3,832
McGuire, G. H.....	190 12	22	211	2,302	Flaherty, T. F. O.....	193 04	19	163	3,283
Quebec District—					Saskatchewan District—				
Peck, A.....	265 08	25	345	4,700	Schnai, E.....	291 47	28	375	5,118
Monaghan, W.....	231 57	21	233	3,880	Buchanan, G.....	282 56	24	395	4,874
Gauthier, V.....	212 64	21	226	3,910	Helgason, H.....	281 61	25	370	4,992
Lefebvre, N.....	210 71	25	266	3,633	Martin, M.....	279 79	24	335	5,010
Brown, G. W.....	208 44	12	221	3,651	Robertson, E. C.....	268 18	26	287	4,988
Hyndman, C.....	206 70	21	245	3,705	Quinlan, E.....	265 72	24	290	4,856
Booth, J. G.....	205 67	20	212	4,375	Pye, J.....	260 08	23	275	4,849
Lawford, H.....	203 53	21	227	3,748	Cook, E. C.....	254 78	22	291	4,622
Patterson, C.....	205 06	25	230	3,590	Munday, F. J.....	244 07	22	263	4,532
Lamoureux, P. E.....	198 28	22	184	3,650	Reid, D. B.....	240 68	26	341	4,269
Ontario District—					Alberta District—				
Murray, W. J.....	195 70	22	210	3,651	Byers, H.....	267 87	27	282	4,614
Rowat, L.....	196 15	23	243	3,441	Campbell, A.....	317 60	31	339	5,446
Woods, P. L.....	197 65	26	251	3,447	Johnson, G.....	281 71	29	286	4,993
Moreau, C.....	199 23	27	256	3,435	Martin, A. M.....	282 01	30	324	4,978
Chapple, H. R.....	199 24	24	236	3,513	McDonald, G.....	257 65	28	326	4,550
Hall, J. T.....	200 72	22	232	3,417	Robertson, G. R.....	279 89	30	301	4,929
Walder, W.....	194 57	22	281	3,548	Ritchie, J. G.....	317 44	30	334	5,502
Adams, P. M.....	205 55	23	231	3,768	Wait, B. C.....	251 93	26	267	4,182
Wilson, G.....	195 69	25	219	3,564	Klein, C. P.....	253 41	27	290	4,400
Backhouse, R.....	212 17	23	262	3,684	Price, D. R.....	249 45	24	324	4,285
Algonia District—					British Columbia District—				
Carmichael, G. L.....	278 46	23	343	4,801	Page, G.....	287 91	25	365	4,976
Cote, W.....	209 03	21	182	3,567	Barraud, F.....	283 83	26	269	4,351
Darby, C.....	201 93	20	178	3,476	Ernest, A.....	279 72	26	297	4,715
Dorschner, J.....	217 76	22	280	3,832	Godfrey, J. R.....	248 61	24	272	4,366
Kennedy, W.....	229 90	23	253	3,269	Sargood, T. A.....	346 38	31	359	5,118
Kruger, S.....	206 95	20	193	3,582	Watson, A. H.....	246 23	24	239	3,727
Moreau, D.....	209 18	20	206	3,691	Meldrum, G.....	248 64	22	315	4,214
McGregor, G.....	207 24	17	249	3,573	Muerby, A. H.....	254 16	23	296	4,025
Sylvest, M.....	216 58	24	254	3,539	McQuarrie, R.....	245 74	22	297	3,878
Smith, G. J.....	228 19	23	233	3,894	McKinnie, H. T.....	242 87	22	293	3,835

Highest Compensation, October, 1931—Ten Passenger Conductors Each District

Name	Com- pen- sation	Calen- dar days worked	Hours actu- ally on duty	Miles paid for	Name	Com- pen- sation	Calen- dar days worked	Hours actu- ally on duty	Miles paid for
	\$ cts.					\$ cts.			
N. B. District—					Manitoba District—				
Logue, F.....	301 13	22	319	6,380	Eisler, W.....	293 65	27	249	6,152
Craig, B. A.....	290 81	27	295	5,955	Dickson, S. S.....	252 85	31	147	5,357
Dow, C. H.....	290 62	27	295	5,952	Gammon, M. J.....	301 18	28	130	3,702
Appleby, F. D.....	265 87	21	342	2,814	Ward, E. S.....	306 63	25	174	3,946
Baxter, W. H.....	261 96	26	187	3,222	Ward, J. C.....	238 84	20	184	5,060
Burns, M.....	233 65	24	117	2,874	Lutz, S. S.....	276 97	14	162	5,868
Charters, J. B.....	262 85	27	351	3,564	Wilkinson, D. M.....	324 74	26	258	6,487
Dillon, J. A.....	246 32	17	185	5,219	Card, C. F.....	260 43	18	196	5,508
Sullivan, M.....	246 33	17	183	5,219	Cooper, A.....	277 06	14	163	5,870
Towle, C. H.....	246 33	17	186	5,219	Hargrave, A.....	283 72	14	162	5,873
Quebec District—					Saskatchewan Dis- trict—				
Flynn, J.....	320 48	27	197	6,790	Converse, G. L.....	346 81	31	301	7,211
McDonnell, J.....	314 62	31	248	6,666	Dick, J. P.....	332 90	31	269	7,049
Bradford, S.....	310 82	27	224	6,456	Simington, W.....	325 75	25	237	6,860
O'Mara, W. J.....	304 35	31	139	6,448	McDonald, D. A.....	321 85	29	261	6,707
Clark, R.....	301 13	23	204	6,380	Bremer, F. S.....	310 97	29	257	6,587
Dunham, H.....	295 98	30	218	6,271	McCauley, W.....	297 37	25	200	6,300
Gannon, D.....	289 40	30	112	6,131	Duncan, W.....	288 41	23	204	6,110
Hamilton, J. R.....	288 86	24	189	6,120	Bamford, A.....	286 81	27	234	6,063
Brown, J.....	285 94	27	188	6,058	McKay, J. H.....	271 96	21	195	5,846
Droughan, T.....	276 56	30	269	5,859	Miller, D. J.....	275 25	22	161	5,895
Ontario District—					Alberta District—				
Grieve, M.....	321 14	20	190	6,804	Begg, W. A.....	294 45	31	203	6,237
Garratt, J. A.....	321 05	20	183	6,802	Reynolds, W. J.....	296 84	27	241	7,167
Gilchrist, W. J.....	305 81	19	161	6,479	Tiffin, R. T.....	321 80	31	256	6,818
Howard, R. J.....	305 81	19	161	6,479	McIntosh, A. L.....	299 18	27	255	6,294
Leach, P. H.....	305 81	19	161	6,479	Ferguson, A. D.....	267 80	18	207	5,674
Munro, M. A.....	305 81	19	160	6,479	Lance, F.....	271 99	26	192	5,713
Rafferty, J. P.....	305 81	19	161	6,479	Murphy, M.....	272 01	27	222	5,763
Carson, W. J.....	305 71	19	164	6,477	Genest, J. A.....	274 90	26	182	5,824
Barlow, R.....	305 05	19	177	6,463	Jamieson, R. W.....	299 08	27	261	6,292
Higginson, P. A.....	305 05	19	178	6,463	Jacques, J. B.....	270 63	18	210	5,720
Algonia District—					British Columbia Dis- trict—				
Armstrong, W.....	284 81	14	201	6,034	Percival, W. H.....	265 36	31	242	5,073
Brien, E. J.....	264 46	13	173	5,603	Hatch, G. W.....	248 28	21	204	5,260
Davis, W. G.....	268 75	15	192	5,715	Harris, E. G.....	244 94	31	212	5,089
Kelly, I.....	295 34	25	191	6,231	MacKay, J. A.....	248 51	21	184	5,264
Larochelle, J.....	241 96	14	211	5,124	McDonald, J. A.....	248 32	21	193	5,261
McCuaig, T.....	287 74	16	207	6,096	McKay, F. S.....	243 68	31	193	4,468
McDonald, A.....	287 73	16	206	6,096	Shafer, J.....	248 51	21	191	5,265
Sampson, T. J.....	287 74	16	209	6,096	Beck, J.....	239 79	18	201	4,585
Watson, A.....	287 74	16	207	6,096	Gee, W.....	259 33	19	215	4,850
Webb, S.....	275 58	15	197	5,715	Griffin, M.....	239 75	18	214	4,584

Highest Compensation, October, 1931—Ten Freight Conductors Each District

Name	Compen- sation	Calen- dar days worked	Hours actu- ally on duty	Miles paid for	Name	Compen- sation	Calen- dar days worked	Hours actu- ally on duty	Miles paid for
	\$ cts.					\$ cts.			
N.B. District—					Manitoba District—				
Rolston, C.....	277 83	26	294	4,543	Allin, W. B.....	294 26	27	224	4,696
Taylor, C. S.....	266 94	27	282	3,943	Belyea, T. W.....	301 35	30	222	4,821
Conolly, A. R.....	266 31	20	266	3,966	Clifton, C. H.....	306 63	26	222	4,904
Jennings, P. R.....	241 72	19	229	3,633	Perdue, T.....	289 87	26	217	4,638
Nixon, R. F.....	231 70	26	245	3,442	Young, J. S.....	290 19	26	216	4,631
Palmer, B. C.....	228 59	27	244	3,392	Moore, J. R.....	275 63	26	240	4,426
Heenan, T.....	268 63	27	284	1,188	Brydges, A. S.....	340 41	29	347	5,435
Hutchinson, A. D...	255 63	24	224	2,927	Elvies, C. H.....	327 24	25	341	5,236
McKenzie, W.....	233 86	27	231	3,237	Laing, G. R.....	347 68	29	366	5,524
Tufts, M. G.....	238 22	25	192	3,007	Rutherford, R.....	344 73	27	356	5,476
Quebec District—					Saskatchewan District—				
Frenette, A.....	337 54	31	275	5,032	McAlpin, J.....	377 51	31	415	5,745
Mercier, E.....	313 30	27	265	4,967	Gardiner, P.....	361 70	31	355	5,518
McDonald, M. W....	292 47	27	317	4,320	Tremblay, E.....	353 72	29	324	5,627
Wallace, G.....	288 40	27	298	4,261	Black, J.....	346 97	27	346	5,299
Beauchamp, E.....	286 53	27	258	4,370	Jasper, H. B.....	346 10	25	311	5,252
Guay, W.....	281 60	27	234	4,469	Scott, J. R.....	341 62	30	299	5,466
Mundy, E.....	272 36	27	258	4,305	Malone, F. J.....	339 06	27	279	5,425
Sircis, O.....	271 01	24	241	4,278	Campbell, D. L....	338 29	31	340	5,207
Miskelly, G. A.....	255 29	26	277	3,771	Johnston, A.....	337 44	29	320	5,399
Moffatt, W. C.....	251 50	30	264	3,726	Baynton, E.....	336 03	27	363	5,035
Ontario District—					Alberta District—				
Harris, A. A.....	297 50	24	304	4,453	Eby, A. C.....	338 50	30	310	5,129
Cutteil, T.....	229 95	25	253	4,358	Ferguson, A.....	316 73	27	378	4,727
Jackson, A.....	277 85	27	293	4,104	Johnson, H. S.....	325 30	31	317	5,166
Connell, A.....	263 35	27	279	3,890	Ruttan, J. D.....	308 07	27	279	4,920
Sampson, O.....	259 77	27	287	3,937	Beauregard, O.....	313 74	27	372	4,666
Young, G. F.....	259 66	22	264	3,955	Morrison, J.....	308 92	25	300	4,708
Morrison, S. B.....	257 23	25	275	3,804	Gascoine, T. J.....	347 40	30	307	5,340
Tell, F.....	254 69	26	271	3,762	McDonald, P.....	316 39	30	277	4,870
Laing, J.....	252 53	26	274	3,730	Ransome, R.....	312 11	28	277	4,928
Ross, E.....	252 00	16	196	4,032	Reynolds, B.....	314 08	30	284	4,884
Algonia District—					British Columbia District—				
Fischer, G.....	267 37	25	295	3,958	Brown, J. E.....	312 85	24	179	4,916
Guenette, M.....	300 59	27	309	4,440	Campbell, J. A.....	342 54	31	316	4,669
Labrick, W.....	321 71	27	290	4,752	Davis, O. P.....	337 36	30	300	4,609
Marshall, J.....	261 48	25	276	3,071	Duncan, J. R.....	323 39	30	290	4,430
Milne, R. G.....	281 57	21	294	4,159	McFayden, A.....	321 05	29	286	4,388
Paske, J. C.....	260 78	27	265	3,849	Porritt, S.....	319 08	28	290	4,519
Rainville, J. A.....	268 79	22	261	4,315	Young, W.....	305 02	29	253	4,880
Ringler, G.....	255 40	22	262	3,952	Deater, F. M.....	296 70	27	283	4,067
Stortz, R.....	313 45	21	299	4,630	Gates, J. P.....	323 16	27	327	4,457
Tuck, A. J.....	313 04	25	329	4,624	Kinney, J. A.....	310 34	27	293	4,484

Highest Compensation, October, 1931—Ten Passenger Trainmen Each District

Name	Compen- sation	Calen- dar days worked	Hours actu- ally on duty	Miles paid for	Name	Compen- sation	Calen- dar days worked	Hours actu- ally on duty	Miles paid for
	\$ cts.					\$ cts.			
N.B. District—					Manitoba District—				
McDonald, R.....	190 96	25	273	5,514	Bennett, W. D.....	186 66	14	163	5,870
Simmons, G.....	185 54	25	273	5,514	Danse, J. A.....	196 28	14	165	5,938
Graham, O. H.....	183 09	24	262	5,289	McCull, N. C.....	136 60	14	162	5,868
Flemming, W. K.....	181 28	19	276	5,510	Cooper, J. S.....	170 35	31	145	5,357
Miller, W.....	179 36	25	263	5,315	Chalmers, F.....	168 95	23	212	5,240
McIntyre, R. J.....	182 60	26	187	3,222	Hawkins, F. J.....	190 96	28	124	3,458
McClellan, D. E.....	183 47	27	351	3,564	Todd, R. G.....	195 09	23	149	3,431
Moore, W. A.....	179 67	20	281	3,600	Smith, A.....	160 90	20	184	5,060
Shaw, S. H.....	185 07	20	326	2,680	Kerr, J. S.....	232 33	25	239	6,235
Shea, W.....	179 62	21	342	2,814	Osborne, H. S.....	179 01	18	195	5,612
Quebec District—					Saskatchewan Dis- trict—				
McMahon, J.....	223 10	28	248	7,001	Hanwell, T.....	211 22	23	202	6,114
Dubray, C. F.....	212 56	21	227	6,681	McDiarmid, J.....	205 33	25	216	5,614
Rouleau, J. W.....	201 51	27	166	6,322	Johns, A. P.....	202 37	21	196	5,847
Ellis, T.....	200 32	27	204	5,928	Evans, E. C.....	201 64	27	239	6,129
Cullen, M.....	199 38	28	283	6,257	McTavish, L. D.....	197 19	25	215	5,620
Keane, P.....	196 98	26	153	4,230	Lillie, J.....	194 37	21	160	5,355
Bolduc, J.....	194 96	27	172	5,914	Godwin, A. E.....	193 96	22	161	5,807
Kehoe, J.....	189 84	26	219	5,699	Cook, H. T.....	191 10	30	224	5,809
Boyd, E. C.....	190 82	21	186	5,800	McKinnon, M.....	190 26	22	161	5,893
Labreche, J. L.....	190 03	28	105	5,764	McClellan, J. F.....	199 93	30	166	5,739
Ontario District—					Alberta District—				
Wilson, R. A.....	212 57	19	182	6,461	Clark, A. D.....	180 40	18	207	5,673
O'Neill, T.....	203 49	25	178	6,399	Christie, W. M.....	182 50	18	209	5,739
Webb, S. J.....	202 78	18	184	6,392	Edmunds, J. R.....	182 92	18	209	5,752
Moffatt, M.....	202 78	18	191	6,392	Scarlett, F. M.....	180 28	18	207	5,669
Mahoney, J. J.....	201 92	18	150	6,138	Wyatt, J. A.....	185 56	18	210	5,769
Thornton, W. A.....	201 42	18	170	6,122	Raby, S. A.....	184 34	25	188	5,716
Vetter, L. F.....	201 35	18	175	6,120	McLennan, J. W.....	179 19	13	216	5,635
Edwards, F.....	195 95	25	172	6,162	Heath, N. J.....	180 55	18	207	5,678
Watson, A.....	193 71	19	184	5,777	Williams, E. K.....	185 35	18	210	5,765
Walton, S. G.....	191 94	17	171	6,051	Aitkens, G.....	182 63	18	208	5,720
Algoma District—					British Columbia District—				
Arthurs, J.....	187 68	15	202	5,902	Cockell, J. W.....	173 65	30	246	4,992
Baxter, N. J.....	184 34	13	173	5,603	McDonald, G. A.....	182 65	31	240	5,237
Blackburn, H.....	184 34	13	173	5,603	Hopkins, E. E.....	160 73	31	282	5,501
Bell, R. B.....	193 86	16	208	6,096	Madill, H. O.....	168 88	21	190	5,537
Berry, B.....	200 22	16	209	6,296	Madill, O. A.....	169 01	21	207	5,315
Erickson, G.....	199 10	16	209	6,261	Paull, A. J.....	169 11	21	196	5,318
Legace, P.....	200 55	16	209	6,096	Beattie, R. B.....	171 80	19	226	5,107
Madore, A.....	200 56	16	207	6,096	Cook, A. F.....	175 34	20	224	5,118
Shields, S. A.....	181 31	22	164	5,474	Smith, M. L.....	162 04	19	215	4,610
Swezey, E. W.....	200 56	16	206	6,096	Hoogerwerf, R.....	172 46	29	212	4,681

Highest Compensation, October, 1931—Ten Freight Trainmen Each District

Name	Compen- sation	Calen- dar days worked	Hours actu- ally on duty	Miles paid for	Name	Compen- sation	Calen- dar days worked	Hours actu- ally on duty	Miles paid for
	\$ cts.					\$ cts.			
New Brunswick District—					Manitoba District—				
McKinley, G. W.	196 63	25	264	3,703	English, J.	241 82	24	323	4,925
Foreman, F. E.	196 44	19	251	3,740	McLeary, H.	232 63	23	307	4,738
Larlee, T. W.	188 99	27	256	3,578	Miles, C.	218 16	27	244	4,398
O'Hagan, L.	188 99	27	256	3,578	Markinski, W.	219 73	26	244	4,475
Tapley, R. D.	189 66	19	229	3,633	McCaw, H.	202 24	25	231	4,119
McLellan, G. B.	188 82	24	254	3,556	McIntyre, D. C.	207 01	27	244	4,142
Coughlan, E. R.	190 47	27	284	1,188	Young, W. S.	214 84	27	242	3,336
Hipwell, E. J.	192 97	27	284	1,188	Audette, J.	224 52	26	215	4,565
Mitchell, W. F.	185 88	27	255	3,366	Cracknell, F. C.	213 83	26	203	4,355
Wansink, H. J.	183 46	27	231	3,237	King, W. S.	212 84	23	201	4,323
Quebec District—					Saskatchewan Dis- trict—				
Tremblay, P.	229 39	27	317	4,320	Tuck, W. P.	261 35	27	319	5,289
Tremblay, M.	224 10	27	238	4,557	Cascagnette, F. J.	257 82	29	288	5,231
Bourbonnais, A.	221 03	27	247	4,149	Walker, G. A.	255 63	26	301	4,908
McLeod, E.	209 11	22	221	4,182	Hamilton, H. A.	252 92	28	324	5,052
Choquette, A. E.	209 68	23	235	4,231	Cameron, J. A.	250 61	27	285	5,104
Nolet, R.	207 54	23	234	4,178	Wilcox, W.	245 97	27	387	4,689
Weir, A.	197 23	25	252	3,716	Hull, G.	245 96	27	387	4,689
Rouleau, L.	198 31	24	210	4,003	Watercott, J. C.	245 01	30	345	4,639
Fortin, E.	205 75	23	203	4,140	Thomas, P. S.	242 77	29	313	4,817
Pickel, H. A.	199 95	27	252	3,806	Hall, G. B.	242 23	28	315	4,832
Ontario District—					Alberta District—				
Lappin, J.	205 42	21	255	3,923	Couch, W. C.	237 27	27	244	4,655
Innes, A.	194 99	25	253	3,668	Grabouski, J. L.	247 09	28	285	4,896
Howe, P.	199 56	19	267	3,810	Raby, W. H.	244 99	28	297	4,763
Bradley, E.	191 37	25	258	3,604	Simpson, E.	245 20	29	273	4,881
Scott, L.	191 37	25	258	3,604	Shaw, C. E.	244 73	28	264	4,804
Stephenson, R.	188 88	25	266	3,557	Anderson, D. R.	243 99	30	834	4,946
Kelly, R.	188 58	25	236	3,716	Clay, H.	233 30	28	317	4,693
Kellett, A.	188 43	27	266	3,557	Linstead, E. F.	247 45	27	378	4,707
Bacon, G. R.	186 70	24	256	3,516	Townsend, R. B.	240 15	26	366	4,569
Dawson, J.	184 93	28	199	3,713	Cooper, G.	237 35	27	350	4,524
Algonia District—					British Columbia Dis- trict—				
Brown, W. D.	214 51	21	281	4,068	Clark, G. M.	254 53	24	309	4,406
Cameron, D. S.	203 91	21	272	3,840	Clark, J. B.	237 92	28	275	4,332
Cliff, W. J.	235 76	27	309	4,440	Dunham, K.	269 27	28	301	4,667
Ducatt, G. N.	213 70	27	292	3,927	Simms, A. S.	261 89	30	313	4,499
Fortier, C.	222 45	27	276	4,198	Wilson, P. M.	256 97	28	337	4,485
Graham, W. A.	198 70	19	264	3,742	Henderson, W. J.	244 94	27	280	4,470
Morgan, W.	222 53	24	212	4,083	Singer, T.	237 59	27	280	4,362
Nelson, W. S.	235 76	27	309	4,440	Lutes, W. T.	237 48	27	299	3,999
Pennock, G. P.	227 45	27	298	4,292	Reeves, G. W.	252 09	28	303	4,366
Hay, F.	205 22	25	253	3,872	Ryan, J. M.	237 48	27	299	3,999

Hon. Mr. MURDOCK: I do not want to take up too much time, but I should like to refer briefly to a circular that I imagine was received by every honourable member. One came to me, and I notice it is dated at Toronto, October 26, and addressed to the Government and the honourable members of the Senate and House of Commons of Canada. It is signed by six gentlemen from various parts of Ontario and Quebec.

Hon. Mr. DANDURAND: It is signed by unemployed persons.

Hon. Mr. MURDOCK: Yes, it is signed by six gentlemen: one conductor at Lindsay, one trainman at Toronto, one engineer at Chapleau, one fireman at Rivière du Loup, one engineer at Montreal, and one yardman at Verdun, Quebec. It is written on behalf of unemployed railway men. A proposal of the kind that it contains cannot fail to appeal to any honourable member, or to any other citizen who is true to himself and his country just now. We ought at all times to listen to an appeal from those who require help, and in dealing with this proposal I have no thought whatever of disparaging the efforts of those who made it. I sympathize as fully as anyone can with the gentlemen who wrote the letter. But in their submission No. 6 they state:

We ask only that the men now employed in the running trades on Canadian railways be limited to 2,600 miles per month. One hundred miles in freight service and its equivalent in passenger service, is considered and has been agreed upon by the Companies and the men, as constituting a day's work.

Then they ask that regularly assigned yard foremen and yard helpers be limited to forty hours per week. If these suggestions could be carried out, their adoption might be a splendid thing for the unemployed thousands of railway men in Canada. The organization to which I happen to belong has for eighteen months had in effect in Canada a mileage limitation and other restrictions for our men, such as 208 hours for a yardman and proportionate limitations for road men. But if we undertook to divide evenly all the available work among all the railroad men who were employed a short time ago, on some divisions there would not be enough to provide more than three or five days' work a month. I have in mind one promotion division of some three hundred or more miles, where less than ten years ago there were nearly two hundred classified conductors. But since 1929 there have been only thirty-one, and only about twenty-five of those have been working regularly. If you divided up the regular work

on that division among all the men who were on the seniority list and who still hold rights on that list, but who have been unemployed for months and years, there would not be enough to provide employment for each man of more than three or five days a month.

Then may I, for what it is worth, present the viewpoint of the older men, the men who maybe have spent twenty-five to forty-five years in railroad service and are coming close to the sixty-five-year margin. Both our great transportation systems pension their men at sixty-five years, except that those who are exceptionally fit are in some cases given a year's extension. The pension allowance is based on the annual earnings during the last ten years, multiplied by the number of years of service. Naturally the older men desire to work as steadily as they can during their last ten years. Will any one blame them? That has been the situation. But a strong effort has been made to divide the work among the men so far as it could be done. It was in this connection that I discussed the circular, for I knew several honourable gentlemen had read it and had been wondering why something of the kind would not be feasible. On some divisions it might help out; on others, as I said a little while ago, it would not give more than three or five days' work a month to all those who are eligible for employment. What is the answer? That here in Canada a great number of our younger railroad men will have to seek other avenues of employment by reason of the conditions now prevailing in railroading.

As I said a few moments ago, the report of the Royal Commission on Railways and Transportation in Canada and this Bill implementing the Commission's recommendations have been looked forward to with greater anxiety than possibly any other similar report or bill that has ever come before the Parliament of Canada. In a word, tens of thousands of railroad men want to know if there is any protection for them in these documents. The Bill appears to contemplate the turning loose from their chosen calling of maybe many more hundreds, if not thousands, of railroad men. In what way, you may ask. I reply: by the proposed compulsory co-operation of the Canadian Pacific and the Canadian National and the resultant consolidation or co-ordination of their railway terminals and other facilities. All railroad men who understand what has developed in the years gone by feel that in certain localities, so far as many of the men are concerned, possibly the worst is yet to come.

I am wondering if in dealing with this Bill it would not be fair to bring about some

reasonable degree of conservation of the human rights involved in this proposed legislation. As I have already said, these men went into the railroad game a good many years ago to carry forward a business instituted by the state. They were not conscripted; they took up railroading because they believed it would provide them a reasonable livelihood and afford them steady employment during their working years. To-day many thousands of them find they made a mistake as a result of Parliament permitting the building of too many duplicating railroads.

This Bill is in the most concise form in which I have ever seen any legislation drafted to cover so broad a field. Section 28 is all-embracing in that it takes into account every law on our Statute Book. This general clause is in these terms:

The provisions of this Act shall prevail over those of all other Acts inconsistent herewith.

Do honourable members wonder that railroad men want to know what that means, and what other Acts may be inconsistent with this proposed legislation? What is involved? For instance, the Railway Act provides that when a terminal is abandoned the employees may, under certain conditions to be laid down by the Board of Railway Commissioners for Canada, be entitled to compensation for any financial loss caused to them by change of residence necessitated thereby. Is that protection to be entirely lost? Or are the equities under such circumstances to be determined by the Chairman of the Board of Railway Commissioners in his capacity as Chairman of the Arbitral Tribunal?

Railroad men feel that possibly certain points of view that should have been considered in their behalf may have been overlooked, and therefore I shall conclude my remarks by putting on the record a statement that I think should be dealt with before we adopt the Bill. This is the statement:

Some Hopes and Fears of the Railway Employees in connection with the Report of the Royal Commission on Railways and Transportation in Canada and Bill A, now under consideration:

1. Will it be possible to safeguard in some measure the personal and family welfare of many thousands of railroad employees who will be crowded out of service as a result of the application and intent of Bill A?

2. Will the generally satisfactory negotiating arrangements referred to in section 190 of the Royal Commission's report be encouraged and continued? The employees stand ready to produce their share of continued satisfactory relations.

Hon. Mr. MURDOCK.

3. If railway mileage in Canada is, as admitted, greatly in excess of Canada's present requirements, and if uncalled for extravagances have been in evidence in the operation of the railways, should the employees who had no part in authorizing construction or expenditures be now penalized, or should they be in a measure protected against undue hardship?

4. What measure of relief or compensation, if any, is due to railway employees who, as the result of co-ordinate operations at certain points under the provisions of Bill A, lose their work, their homes and their future opportunity for employment in the service of the railways?

5. The Royal Commission's report fails to indicate that employees crowded out of service by co-ordination should be safeguarded. Is that the attitude of the Government in the passage of Bill A?

6. Section 191 of the Royal Commission's report reads:

With the continuance of good relations between the management and employees of both systems, and a frank recognition of the serious financial situation, much can be done to ease the position of the railways, without imposing any undue hardship upon the employees.

Does this imply further restrictions in railroad men's earnings by agreement, if possible, and by compulsion, if necessary, through the Arbitral Board?

7. Railroad employees strongly commend the proposal to maintain the identity of the two railroad systems and trust this may be done without undue favouritism to either railroad.

8. Railway employees trust that some amendment to Bill A may be inserted to provide protection in so far as possible for employees squeezed out in the application of co-ordinated operation at certain railway points in Canada.

9. If three trustees on the Canadian National Railways are to have complete and final authority in determining all questions in relation to the operation of that property, the employees would generally hold that the viewpoint and the rights of the employees might be entirely overlooked unless they were directly represented. The employees would feel more secure if the board of trustees specified were enlarged so as to give the workers a voice in the many matters that so vitally concern them.

10. Railroad employees generally hold the view that the Arbitral Tribunal proposed in Bill A places too much authority in the hands of one man, whose judgment, training and experience may be of the highest quality, but

who still may not be in a position to grasp all the essential details of vital concern to the workers. The railway organizations believe that the Board of Railway Commissioners as a board should have the right to exercise the final arbitral judgment, which Bill A now proposes to give to the chairman of that board.

11. Part IV, general clause, reads as follows:

Inconsistent Acts

28. The provisions of this Act shall prevail over those of all other Acts inconsistent herewith.

The railway employees would greatly appreciate a declaration on behalf of the Government as to the possible scope and intent of Part IV of Bill A, section 28, and if possible, a statement outlining "all other Acts" that might be held as inconsistent with Bill A.

Now, some honourable gentlemen may think that I am voicing the opinion of some body that has instructed me to express the views that I have placed before the House this afternoon. Not a single word of instructions has come to me. Anything I have presented to honourable members is entirely off my own bat and based on the knowledge I have gained over a period of about thirty years, while undertaking to represent railroad men, their aims, their claims, their ambitions, and, I hope, their rights. I do trust, honourable members, that before we give third reading to this Bill full discussion will be had as to whether our railroad employees are in any particular entitled to consideration. No demand is being made. I am quite sure that collectively our railroad men are as good Canadians as any other class of the community, but thousands of them have more at stake than any other of our citizens, and certainly it is not their fault that in the months and years to come they are not going to be able to work at their chosen calling. Is the state in any measure responsible for this condition of affairs? Is the Parliament of Canada in any measure responsible for it? I am not presuming to decide. I am biased; I am whole-heartedly for these men—men whom I know and with whom I have been associated these many years. But these are some of the things that I feel confident will be thoroughly analysed and determined before we dispose of this Bill.

Hon. H. W. LAIRD: Before the honourable gentleman takes his seat, I should like to ask him a question. We have, I am sure, listened with very much interest to the statement he has presented on behalf of the railway workers, but I hope he will go a step further and amplify it to this extent. He has spoken about the right of railway employees to com-

ensation now that they have been denied opportunity to work at their regular calling. Will he state in what way it is expected the Government should deal with the situation? Does he feel that those railway employees now out of employment should be treated as wards of the state? If so, I would ask him why such preferential treatment should be accorded to these men and not to the unemployed in the building trades, for instance? They are out of employment for the same reason that the railway men are idle.

Hon. Mr. MURDOCK: I hope my honourable friend will have noted that I said no demand is being made. I simply ask for full consideration of what the application of this Bill will entail to the further detriment of our railroad men. No, I would not ask that our unemployed railway men be treated as wards of the Government. I do not believe in drones, wherever I may find them. Of course I would not ask that. But I do ask, if in years gone by it was deemed advisable to place in the Railway Act a provision to encourage the railroad men of Canada to believe that when a terminal was abandoned, and consequently their property became of little or no value, reasonable compensation would be awarded them, should not that principle be embodied in this Bill? There is, I fear, going to be a great deal more hardship of the same kind in the months and years to come, and all I am asking is this: can this House suggest anything that will be fair and equitable, first, to Canada, and, second, to the fellow denied opportunity to work at his chosen calling?

Hon. C. C. BALLANTYNE: Honourable senators, at this hour I shall detain you for only a very few minutes. We have all listened with a great deal of interest to one who is well qualified to talk on this subject. I refer to the honourable member for Parkdale (Hon. Mr. Murdock), who has just resumed his seat. Permit me to associate myself with his remarks as to the gratification of the Senate that this Bill, the most important Bill that has ever come before Parliament, with the possible exception of the one passed when Canada entered the War, should be introduced in this Chamber. I believe that honourable members of this House, who are free from political influence, will give it calmer consideration and arrive at a fairer judgment than could the members of the other House.

No good purpose would be served by my endeavouring to trace the railway history of Canada for the past thirty years, or referring to events that have brought about the very serious situation that now confronts us. I

believe that honourable members of this House can spend their time better in dealing with the essentials of this Bill.

I have the greatest sympathy with the views expressed by the honourable member for Parkdale (Hon. Mr. Murdock) in relation to the thousands of employees of both our large railway systems. I am sure that due consideration will be given to the views so eloquently expressed by him this afternoon. I might point out to the honourable gentleman, however, that the railways of Canada are not the only business concerns that have dispensed with the services of large numbers of their employees. Thousands of former employees of other concerns are now walking the streets owing to depression in the various fields in which formerly they were active. While the railway employees affected may be more numerous than the employees in other vocations, they are not suffering to any greater degree.

Quite apart from the railway employees, there is in Canada a class of people greatly interested in what this House and the other House and the Government are going to do in this important matter. I refer to the taxpayers of Canada. Already they are groaning under the burden of taxation. The railway debt of Canada is as great as the public debt, if not greater. Owing to the depression, railway revenues are falling, and the railway debt, and likewise taxation, are increasing. Therefore all the people of Canada, particularly the taxpayers, I should say, are turning their eyes towards Ottawa to see what Parliament is going to do about this tremendous railway problem.

I have read this Bill many times. It certainly is concise, and, I think, well drawn. There are four essential features that the Senate and its Railway Committee will finally have to pass upon. I refer to the trustees, to the situation of the Canadian Pacific Railway, to the arbitral tribunal, and to the auditors. From my experience in large corporations, and from watching their development, I believe that the nearer we can get to one-man power the better. Greater efficiency is obtained in that way. I think that the Royal Commission, composed as it was of very able men, of England, the United States and Canada, deserves the commendation of this House for having placed its suggestions and recommendations before us in so concise a manner.

As we all know, there is to be a board of three trustees, one member of which, the chairman, is to be appointed for seven years, and the other two for a shorter period. These trustees can be removed only on address of

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both Houses of Parliament. If this Bill passes, the problem confronting the Government will be to get three men who are capable of discharging the tremendous task that lies ahead. To my mind the Government will have to go to the large corporations to secure the services of men of executive ability, men of wide experience in dealing with big problems. It will then have to convince them that it is their duty to serve their country, and in that way induce them to become trustees. I fully realize what a tremendously difficult job it will be to get the right men, but I think that is a matter we can safely leave in the hands of the Government.

Some twenty-five years ago I had the honour to be appointed, with two other men, to the Board of Harbour Commissioners of the City of Montreal, and from my experience of the way in which we were able to get along and accomplish things, I should say that three trustees are quite enough.

Many other features of the provisions relating to the trustees appeal to me. The trustees will appoint the president of the Canadian National Railways. Therefore the president will no longer have to come to Ottawa, nor will he have to worry about whether or not he is pleasing this or that political friend. His sole duty will be to look after the management and operation of the railway system. Instead of reporting to a large board composed of directors from each province of this country, he will report only to this small board of three trustees. This feature of the Bill appeals to me very strongly indeed. I have no doubt that representations will be made to this House, and possibly to the Railway Committee, urging that the board be enlarged, but in view of the magnitude of the task that lies ahead, and the responsibility involved, I sincerely trust that the board will not be increased.

Another feature that appeals to me is that the budget will be made up by the trustees and submitted to the Minister of Finance, who in turn will submit it to the Governor in Council, and then to Parliament. I think that procedure is very wise.

So far as the trustees are concerned, I fully endorse the suggestion of the Royal Commission.

Now I come to the Canadian Pacific Railway, that vast and efficiently-managed private system upon whose history for the past fifty years every Canadian can look with pride. The presidents of that railroad have been men of distinction not only in Canada, but throughout the Empire. I refer to men like Lord Mount Stephen, Sir William Van Horne, Lord Shaughnessy, and the very able gentle-

man who now directs the affairs of that company, Mr. E. W. Beatty. It is partly due to the Canadian Pacific Railway that Canada occupies the proud and important position in the world that she holds to-day. I have not interviewed any of the Canadian Pacific Railway officials, and I am unacquainted with their views, but if I were placed at the head of the Canadian Pacific Railway to-day, which is unlikely, I certainly should not be much enamoured of the suggestions, contained in this report, about co-operation with the National Railways. So far as co-operation goes, it is all right; but if the railways disagree they must go before an arbitral tribunal. If the Canadian Pacific Railway is opposed to this, I have some sympathy with its views, but after giving very careful consideration to the matter I do not see how any other machinery could be provided for the final settlement of any differences that might arise between the two railroads. In order to effect the economies that we hope are going to be effected, there must be some arbitral tribunal to give a final decision if the two great systems cannot agree. That tribunal is to be composed of the Chairman of the Railway Commission, a representative of the Canadian Pacific Railway and a representative of the Canadian National Railways. Under a provision contained in the Bill, in the event of disagreement in a major matter, the President of the Exchequer Court may appoint two additional members, and the decision of the five members of the tribunal shall be final.

Economies must be effected. As we all know, Canada is in a very serious position financially. After all, a country, so far as the cardinal factors which affect its financial position are concerned, is not so very different from a large corporation. I referred a moment ago to falling revenues and increased taxation. In the very serious situation confronting us to-day a responsibility rests not only upon the members of the Government, but upon the members of both sides of both Houses of Parliament. I believe that this Bill, if passed, will do much to improve the financial condition of Canada, and therefore I give it my whole-hearted support as it now stands. After further debate and after it has been threshed out in committee, some amendments may be suggested to improve it. Saving that, I think the Bill is a commendable one, and I approve of everything contained in it.

In the city from which I come I am constantly asked, "What is the Senate going to do with the Railway Bill?" I have felt it incumbent upon me, therefore, to express my opinion as I have done, though perhaps inadequately, in regard to this very important legislation.

There is only one other feature to which I shall refer. I have long held the opinion that there should be an independent audit of the Canadian National Railways' books, and I am very glad to see provision in this Bill for the selection and appointment of auditors by the Parliament of Canada. An independent, continuous and reliable audit will be a fine thing for the railways, for the Government, and for the people of Canada. That feature of the Bill has my hearty approval.

Now, honourable gentlemen, I have little more to say. Long speeches could be made, of course, and one could go a long way back over the political history of this country as it pertains to railways, but, as the honourable member from Parkdale (Hon. Mr. Murdock) has said, the throwing of bricks can serve no good purpose. I had the honour of serving in two Governments—the Borden Government and the Meighen Government—and I do not desire to shirk any responsibility for what was done by them. I see no use, however, in going back and resurrecting what is almost ancient history. The question before the Senate of Canada to-day is whether or not it approves of this Bill. After the Bill comes back to the House from committee a final decision will have to be given, and meanwhile I for one take very much pleasure in supporting the Bill.

Hon. Mr. DANDURAND: If the Senate is not going to sit to-night, I move the adjournment of the debate.

Right Hon. Mr. MEIGHEN: I am in the hands of the House in that matter. I should like, so far as is consistent with what I have already said, to have the debate on the second reading concluded to-morrow, but certainly that is not going to be done in opposition to any who desire to speak. If it is felt that we can adjourn now and get through with the second reading to-morrow, I am quite content that we should adjourn.

Hon. Mr. DANDURAND: I do not know whether or not there are many speakers on either side of the House. My remarks will be very brief.

Right Hon. Mr. MEIGHEN: If the honourable gentleman will help us towards the desired end, I am satisfied. If he cannot help us, I am satisfied.

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

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

THE SENATE

Friday, November 4, 1932.

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

Prayers and routine proceedings.

IMPERIAL ECONOMIC CONFERENCE AGREEMENT

PURCHASE OF NEWFOUNDLAND ORE

Before the Orders of the Day:

Hon. J. P. B. CASGRAIN: Honourable members, may I read a telegram which I have received from Mr. Newton Moore, of Montreal, and which, I am informed, is of vital interest to the Maritime Provinces and Newfoundland? This is the telegram:

To-night's press quotes Hore-Belisha moving third reading Ottawa Agreement that steel industry expect receive two million pounds extra business Canada as result Conference. Would appreciate your asking following question reference this statement: What tonnage of imported ore used production this steel comes from Wabana Ore Mines? For your information, Ottawa Agreement Newfoundland distinctly provided purchase Newfoundland ore by British steel masters who are showing no inclination to comply understanding. Alderdice cabling Baldwin and Thomas protesting attitude adopted.

Right Hon. ARTHUR MEIGHEN: The telegram just read has to do with one of the several treaties lately entered into at Ottawa—that between Newfoundland and the Imperial Government. Though Canadians are no doubt importantly, if indirectly, interested, the Government of Canada naturally cannot act as if it were itself a party to the agreement. The telegram refers to a contemplated increase of two million pounds in British exports of steel to Canada and asks what portion of the ore necessary for the production of such steel is to come from the Newfoundland mines. It would be difficult to answer the question, inasmuch as it relates to a prospective rather than an existing tonnage. There is in the telegram an intimation that one of the treaties, one not made with this Dominion, is not being complied with, and that there was an under-

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standing with Canada with respect thereto, because of the interest of our citizens in the Newfoundland ore. I will call the attention of the Government to this matter and see what we can do with respect to it.

CANADIAN NATIONAL-CANADIAN PACIFIC BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Right Hon. Mr. Meighen for the second reading of Bill A, an Act respecting the Canadian National Railways and to provide for co-operation with the Canadian Pacific Railway System, and for other purposes.

Hon. RAOUL DANDURAND: Honourable members of the Senate, it is unnecessary for me to stress the fact that we are passing through very strenuous times. The world depression is still with us. I have heard some people suggest that a Bill such as the one before us might well wait until the return of normal times, because at present, swayed by the wave of pessimism that is sweeping over the country, we may feel called upon to take some action which later we might regret. In response to that argument I desire to try to ascertain whether the so-called abnormal conditions now existing have not for some years past been the normal conditions of our Canadian railways.

Up to the time of the War everything seemed to be moving along smoothly, and we were in the midst of happy days. There were coming into the country every year some three hundred thousand immigrants, and our transportation systems were carrying these new-comers to their future homes in the West, where they were breaking the land, thus helping to increase from year to year the quantity of Western products to be transported to the East. In the autumn of 1911, and also, perhaps, in 1912, the crop in the West was so bountiful that our railway systems seemed to be incapable of carrying it. This gave the people of Canada the impression that the development of our railway system in the West was not proceeding too rapidly. I remember very well a conversation that I had with Mr. Charles M. Hays, the then president of the Grand Trunk Railway System, on the eve of his departure on a trip to Europe—a journey from which he never returned. I had been asked by the Prime Minister of Quebec whether the Grand Trunk Railway, which was leasing the Transcontinental line from Winnipeg to the East would have any objection to the Government or the

Province of Quebec making land grants to a company that wanted to build a line to James Bay, so that the Hudson Bay might play in the north a role similar to that played by Lake Superior farther south. After scanning the map from east to west, Mr. Hays informed me that I could tell the Prime Minister that the projected railway might well be built, because before long, even with the development of our railways in the West, our transportation systems would be inadequate to carry eastward all the products of the West. That was the opinion of a man at the head of one of our railway systems. At that time he was quite optimistic.

Unfortunately the War broke upon us in 1914, and when the Canadian Northern came and asked for help the outlook was not so rosy as it had been. In 1917, when Parliament saw fit to purchase the whole of the Canadian Northern Railway System, the situation had not improved, and up to 1925 or 1926 there was little cause for optimism.

The last speech of Lord Shaughnessy that I heard was delivered in the city of Montreal, I believe, in the winter of 1922-23. In that speech he stated that after considering the whole problem he had come to the conclusion that we could not maintain our two systems of railway with any degree of prosperity until we had brought three million more people into the Northwest. I felt at that time, therefore, that it would be some years before a recovery would take place, inasmuch as immigration was very slow. Under that formula I could see no sign of recovery for about ten years to come. Lord Shaughnessy was not the only Canadian of that opinion. On all sides I heard the statement that if the Canadian National System was to meet its operating expenses population in the West would have to increase.

In 1925 this Chamber saw fit to appoint a Railway Committee to inquire into the whole problem of railway transportation. Evidence was given before that committee by most of the heads of railways and of financial institutions who appeared before the recent Royal Commission. All were agreed that what we lacked was population; that our population in the West was too sparse to support our two railway systems. I confess that the members of that committee, and other persons who heard the evidence of the men summoned before it, came away from the inquiry somewhat despondent.

Yet 1926 was to give us a surprise. A certain member of Parliament said in a facetious way, in 1925, that we should dispose of our Canadian National Railway System for a dollar. At the time no one would

have taken it for a dollar, because of the millions of dollars of deficits that were piled up each year. Yet in 1926 the financial report of the Canadian National showed a surplus on operation of \$41,000,000, which, being reckoned as five per cent, meant an enhancement of about \$800,000,000 in the value of the property. I was one of those who felt that if the railway could meet its obligations to the public to this extent at the outset, its value would very soon pass the billion mark, and there was considerable hope for the future of the railway.

But we were lulled into a sense of security that was bound to result in disappointment. In view of the results of 1926 and the prosperity that abounded in the land, we all were disposed to give a free hand to the president and directors of the Canadian National in their efforts to bring that system up to a proper standard. We all knew that it was emerging from the construction stage and that rolling-stock and other equipment were necessary if it was to be placed on a par with the Canadian Pacific Railway. So millions of dollars were pumped into the system. But the results were quite discouraging, and we never again reached the 1926 receipts of \$41,000,000 over operating expenses. On the contrary, there was a gradual decrease until 1931, when the result was being written in red ink.

I wonder if these abnormal conditions through which we are passing are not more or less chronic with our National Railway System. Naturally we all hope for improvement, but we must not close our eyes to the fact that for some years to come we shall have very little immigration. Therefore the growth of the railway receipts on account of Western traffic will not be as rapid as the late Lord Shaughnessy thought it would when he reasoned that the two railway systems could be saved if we gradually built up our immigration figures to 300,000 a year until a total of 3,000,000 new-comers had been brought in. Furthermore, new modes of transportation have appeared on the highways and are competing with the railways for traffic. These considerations impel me to believe that we cannot hope for a very marked improvement in the returns of the Canadian National Railways within a short period of time.

The Royal Commission which gave many weeks to a study of the railway and transportation situation in this country has made a very commendable report. I have read it with close attention and have no criticism to offer. The remedy the commissioners sug-

gest undoubtedly points in the right direction; but it seems to me the first question to be asked is whether the Canadian Pacific Railway, a private company, is a willing party to the conclusions embodied in the present Bill. If it is not, we shall be confronted with the question whether it is right or opportune for Parliament to invade the charter rights of that company. Under parts II and III of the Bill the company's autonomy is to a large extent invaded. I will not read the whole of those parts, but only subsection 2 of section 16:

(2) Any such measures, plans or arrangements may, where deemed desirable, include or be effected by means of—

(a) New companies controlled by stock ownership, equitably apportioned between the companies;

(b) Leases, entrusting agreements, or licences, or agreements for the pooling and division of earnings arising from the joint operation of any part or parts of freight or passenger traffic;

(c) Joint trackage, running rights, joint ownership, or joint operating agreements, depending upon the nature of the property or services included in any co-operative plan;

(d) Joint or individual highway services, or highway and railway services combined, in any form.

Considering these clauses in relation to the activities of a railway, one cannot help thinking that the two systems are to be as close together as Siamese twins, despite the interesting way in which this subsection 2 ends:

But nothing herein shall be taken to authorize any amalgamation of any National Company with any Pacific Company.

When the companies are forced into partnership in the many ways indicated in the clauses I have read, I do not know what further steps would be necessary before it could be said that amalgamation was completed.

In the divergent interests of the two railway companies I see considerable difficulty with respect to the agreements between them that the Bill contemplates. We must not forget that even though the measure should pass in its present form, competition would still exist and both systems would continue to defend to the utmost what they consider to be their vital rights. We all know that competition is the life of trade, but I am not ready to admit that competition between our railways is not a luxury, and as for the Canadian National Railway, I believe it has been a ruinous luxury.

I am somewhat doubtful that the scheme embodied in this Bill will provide the complete remedy which we are seeking. Yet if we decide to include the C.P.R. in this arrangement, or if that company is reconciled to it—

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perhaps out of sheer necessity—the experiment will be worth trying. The alternative plan suggested by the Senate in 1925 was, it seems to me, a more radical one.

The Royal Commission, after examining various proposals made to it, came to the following conclusion, which is set out at page 62 of the report:

The complete amalgamation of the two systems has been suggested as a method, not only for attaining a maximum of economy, but also for the most effective use of the properties. This raises the question whether it may be done either by public or private ownership. Whatever merits or demerits this proposal may have, the time is not opportune for giving serious consideration to this particular remedy; neither complete public nor complete private ownership is possible.

Then it says:

It has also been suggested that the Canadian National Railways should be leased to the Canadian Pacific Railway, either in perpetuity or for such a period as would afford an opportunity to effect substantial economies.

A lease in perpetuity presents certain difficulties. It would, whatever safeguards may be adopted, result in the establishment of a monopoly.

It will be seen that the commissioners make no reference to what is known as co-operative management, the principal method suggested by this Chamber for the solution of the problem. Co-operative management would involve neither complete public nor complete private ownership, but a unification of the principles underlying the two different forms of ownership.

Sir Robert Borden, when moving the third reading of the Canadian Northern Railway Acquisition Bill, on the 29th of August, 1917, said:

I said, in speaking of the problem that lies before the people of Canada, then—and I desire to repeat it to-night—that I think it will be necessary for the railway companies and the Government to get together in the immediate future, and deal with the possibility of having a system of co-operative management of all the railways in Canada.

Right Hon. Mr. MEIGHEN: What date was that?

Hon. Mr. DANDURAND: On the 29th of August, 1917, when Sir Robert was moving the third reading of the Canadian Northern Railway Acquisition Bill in the House of Commons. Further on he says:

If the Canadian Pacific Railway, by acquiring the Canadian Northern Railway, can save itself \$100,000,000 in construction, that, to my mind, seems to indicate that there are facilities upon the lines of the Canadian Northern which are not employed, and which might be employed, and used by the Canadian Pacific Railway, under some system of co-operative management, so as to save that expenditure to the people of this country.

And again:

I have gone into that question, as far as my limited knowledge will permit, with some of the heads of great railway systems in Canada, and I think they are coming to the conclusion that some such system of co-operative management as I have mentioned might well be carried out.

Hon. Mr. LAIRD: May I ask the honourable gentleman if he could give us the final recommendation of the special committee that was appointed by the Senate?

Hon. Mr. DANDURAND: I am coming to it. As I have said, the Senate committee had before it the most prominent railway men who could throw light upon the problem which was engrossing not only our mind, but that of the public generally. Here are the conclusions of the committee:

Among the different schemes discussed by the witnesses the most important were:—

(a) Co-operation between the Canadian Pacific Railway and the Canadian National Railway systems.

(b) The acquisition by the Government of the Canadian Pacific Railway.

(c) The sale or lease of the Canadian National Railways to the Canadian Pacific Railway.

(d) The transfer of the Canadian National Railways to a private company, to be owned and operated by such company.

I draw particular attention to the next paragraph, because it covers the scheme selected by the committee:

(e) The merging of the two railway systems for purposes of administration and operation. That both the Canadian Pacific Railway and the Canadian National Railways should be placed under the management of a board of fifteen directors, five to be named by the Canadian Pacific Railway, five to be named by the Government, and these ten to choose five proven, capable business men to complete the board; these last five directors to hold office for ten years and to be removed only for cause.

That a recapitalization be made of the Canadian National Railways from the point of view of earning capacity.

That the Canadian Pacific Railway be guaranteed an agreed dividend on its stock.

At that time the C.P.R. was earning its dividend and seemed to be in a position to earn it for a number of years to come.

In the event of the joint management producing a surplus, a dividend at the same rate as is paid to the Canadian Pacific Railway be paid to the Government on the capitalization placed on the Government Railways. After the payment of these dividends any surplus earnings available for distribution be divided between the Canadian Pacific Railway and the Canadian National Railways, in proportion to the valuation of the two systems.

The report continues:

The scheme mentioned in sub-paragraph (e) of paragraph 6 above is strongly recommended to the attention of the Government.

The merging of the two railway systems for purposes of operation and administration as above will remove or dispense with duplication in railway tracks and rolling-stock, in passenger and freight services, in railway stations from the Atlantic to the Pacific, in telegraph, express, and other services, in offices, in accounting and book-keeping, in numerous other special offices and staffs, in administration boards, etc., etc., and thereby and otherwise save an enormous amount of money to the country.

Under this scheme the two systems would retain their separate entities. The purpose of the suggested recapitalization of the Canadian National Railways was to place the system on an equal basis with the Canadian Pacific Railway. This would have involved placing a very large sum to profit and loss, to be treated as an unremunerative debt of Canada until the country had developed to such an extent that the Canadian National System should earn interest on its securities.

It will be observed that it was proposed to guarantee the Canadian Pacific Railway an agreed dividend on its stock. To-day the railway situation is such that I suppose if present-day conditions had existed at the time the committee would not have made this recommendation, but would have suggested that the C.P.R. link its fortunes with those of the C.N.R., for better or for worse, and that the two systems be placed on an even plane.

Although I have not read the opinion of Mr. Ruel, I have seen a memorandum from him to the Royal Commission in which he suggests joint management of the two railway systems.

The advantages sought by the Royal Commission would have been obtained by the adoption of the Senate committee's recommendation. It would mean the elimination of costly competition, of duplicate services, of useless lines, and of political interference. It would also insure reasonable protection of the public interest through the presence of representatives of the state on the board of directors, and the presence of the private-ownership representatives would mean adherence to rigid business methods. The conflicting interests of the two systems would thus be harmonized.

Honourable members will have noticed that the Royal Commission recommends, and the Bill itself provides for, the pooling and division of earnings of any part or parts of freight and passenger traffic. Under the Senate committee's scheme all traffic would be pooled.

Mr. Beatty suggested that unification might be effected by leasing the Canadian National Railways to the Canadian Pacific Railway, and the report makes reference to this suggestion; but, as this would mean a railway

monopoly under private ownership, I do not suppose that the Parliament of to-day or of to-morrow would be disposed to seek such a solution of the railway problem.

I have called attention to the report of the Senate committee because of the fact that a number of honourable senators have taken their seats since 1925, and I think it would be well for us to bear that report in mind when dealing with this Bill in committee. In view of the wide jurisdiction proposed to be given the arbitral tribunal, I wonder if the Canadian Pacific Railway would not prefer our committee's scheme of joint management. Whatever scheme may be decided on by us when the Bill is before the standing committee, I hope that the C.P.R. will agree to it because of the resultant benefits. As for myself, I shall go into the committee with an absolutely unbiased, open mind.

Hon. J. A. CALDER: Honourable members, I suppose I have not spoken in this Chamber for upwards of a year, and I would not take part in the debate now but for the fact that I consider we have before us a measure of very great importance, and whatever disposition is made of it by the two Houses of Parliament will have far-reaching effects. What I have to say I have committed to writing, and I hope honourable members will pardon me if I follow my notes fairly closely.

With respect to consideration of the Bill itself, the Prime Minister in the other House and the leader of the Government in this have made two suggestions that to me appear to be quite important. The first relates to what I may call the freedom of members. Elsewhere, as we know, members are not quite so free as are the members in this Chamber. I am speaking in the strict party sense. In this case the Government expressly urges that every member of Parliament should exercise the fullest freedom in giving frank and fearless expression to his views, be those views what they may, in order that when the Bill finally emerges as a statute it may represent the calm, mature, independent judgment of the majority, regardless of any political consideration whatsoever. The other suggestion, which is very closely allied to the first, is that every member of either Chamber should clearly understand that the Government welcomes any and every proposal by way of modification or amendment that may be made to improve the Bill, one of the main objects sought being to secure from Parliament as a whole its majority opinion as to how best to deal with the existing railway situation.

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In introducing the Bill in its present form the Government holds the view that it is acting merely as a trustee. The Duff Commission having completed its work, the Government felt in duty bound to submit for the consideration of Parliament a Bill embracing practically all the Commission's recommendations. In some quarters objection has been taken to the form of the Bill, but it has been made quite clear elsewhere that the Government did not feel that it had a free hand in drafting the measure. The Duff Commission, appointed by the Government, having completed its investigation and made its recommendations, the Government felt that it ought to submit to Parliament a Bill that would carry out those recommendations. The Government does not say that we should accept the Bill without amendment, but leaves Parliament to deal with the proposed measure in whatever way it pleases.

The railway problem as it has existed for some time is national in its scope. It is not the problem of any political party. I think all will agree that both parties are concerned. It is not the problem of any one province or of any single railway system. Its ramifications affect seriously all our people, and particularly all shareholders in the privately-owned railway. Without question the problem must be solved, if solved it can be. If it cannot be solved in its entirety, then at least Parliament should take such action as will mitigate the evils incident to the present situation. There are huge expenditures that must be stopped, there are holes that must be plugged up, and just as quickly as possible, unless our people are prepared to face what I may call near-bankruptcy. The situation cannot be allowed to continue.

This problem should have been dealt with before. I agree with the honourable leader of the opposition (Hon. Mr. Dandurand) that it has existed not for only a short while, but for a long while, and that Parliament has been slow in taking the action it should have taken. If honourable gentlemen agree with that opinion—and I think they must—it follows that a very grave responsibility rests upon this Chamber. The Senate has been selected to give first consideration to this measure, to the problem itself, and to the proposals that have been made for its solution. I have no doubt that this House will do its duty in this respect carefully, ably and well. As we know, we have in our midst men of ripe and tried experience in the business world, men who have had executive and administrative experience in a large way,

and if we now apply ourselves to this question as we should, we shall all feel when the Bill leaves this House that the Senate, at least, has done its duty.

At this time I do not intend to discuss, except in a very general way, any of the various causes which have operated finally to bring about the conditions now existing. I have no doubt that many, if not most, of these causes will be brought to our attention in committee, and that there we shall have an opportunity of discussing them. Nor do I intend to refer to a mass of figures and statistics on this occasion, because I believe they would be quite out of place. In the committee we may deal with them to our hearts' content.

Our consideration of the problem must of necessity, I think, embrace both our great railway systems. We all know that the National System is, so to speak, a very sick patient and that very drastic treatment must be applied to it if it is to continue to live and function as a railway system. To what extent the C.P.R. suffers from like ills I do not know. On the other hand, however, we do know that the Duff Commission, after making an exhaustive inquiry, has unanimously agreed to a recommendation that in effect compels us to deal with both railway systems if the goal is to be attained. Regardless of whether the C.P.R. has suffered to the same extent as the Canadian National, and whether it looms as large in this problem, the Duff Commission, composed of very able men—two of them outstanding railway men—has said to the Parliament of Canada, "You cannot deal with this problem unless both railway systems are included in the solution." The Commission may be right, or it may be wrong. As to that I do not know. In any event we shall have an opportunity of considering that feature in committee.

I am now and have always been a warm admirer of the C.P.R. For long years it has been our greatest national asset in the world of business. In the field of railways the C.P.R. has had no peer, having been for years the most outstanding railway system in the entire world. I have no doubt at all that should the C.P.R. have difficulties at the present time, or have a share, so to speak, in this problem, it would, if left to itself, do as it has always done in the past—it would cope with the problem and solve it. But, as I say, if we are to follow the report of the Duff Commission we cannot leave the C.P.R. to itself, but must consider it in connection with the problem, because, willingly or unwillingly, the C.P.R. is a factor in it. We cannot divide

the transportation problem into two parts. If we are to solve the major features of the problem we must take the C.P.R. into account.

At first I was inclined to agree with the statement made the other day by the right honourable senator from Eganville (Right Hon. Mr. Graham) that Parliament should hesitate and meditate before deciding to take away from the shareholders and directors of the C.P.R. certain rights, powers and functions now exclusively exercised by them under the authority of their original charter of incorporation. Many years ago Parliament conferred upon a group of men, shareholders, exclusive rights and powers with respect to the management of the C.P.R. As the right honourable gentleman pointed out, it is suggested in this Bill that we should take away those rights. Let us look at this aspect of the Bill a little more closely.

In the old days there was considerable competition between the Grand Trunk and the C.P.R. in certain territories common to both. Later on, with the advent of the Mackenzie-Mann lines, first in the West, and then in the East, together with the building of the Transcontinental Railway and the Grand Trunk Pacific branch lines on the Prairies, competition grew keener and keener. Finally, from the collapse of the old Grand Trunk and the Canadian Northern and its subsidiaries, there emerged a railway, the present Canadian National System, with a mileage greater than that of the C.P.R. Parliament had created this huge system, sweeping into it practically everything that was not C.P.R., and we had this railroad system with a total of some 23,000 miles of line.

Right Hon. Mr. MEIGHEN: Eighteen thousand miles.

Hon. Mr. CALDER: I have forgotten the exact mileage. It makes no difference. We know that the Canadian National Railway System has a larger mileage than the C.P.R.

What happened? Competition between the two systems grew keener and keener. The management of the Canadian National sat up, so to speak, and in the course of a very short time the personnel, from top to bottom, became very ambitious. The idea became prevalent that there was only one thing to do, namely, to "beat the old C.P.R. to it." The Canadian National Railways already surpassed the C.P.R. in mileage: why not surpass it in train service—traffic service, if you like—in equipment, hotels and betterments of all kinds? Parliament aided and abetted that ambition that had grown up in Canadian National circles. I do not altogether blame the Canadian National management for what it

did—it acted humanly, that is all—but I do blame Parliament for not having placed in the statutes some check or checks that would have prevented the growth of such a condition as we have to-day. Parliament handed over the management of the railroad to a president and a board, and from that time to this both parties in Parliament have sat back and said: “Now we will just leave them alone. There must be no political interference.” That meant that there must be no interference at all. The two parties in Parliament vied with each other in maintaining that situation; and if the C.N.R. ran amuck, I ask, whose fault was it? In a sense I do not blame the management of the C.N.R. for all that has happened, because Parliament, instead of imposing a check on the management, furnished it with millions to enable it to do just what it did. This Bill does what should have been done in days past: it provides brakes, and brakemen as well. Conditions in relation to the general management of the C.N.R. cannot continue as they have existed in the past if this Bill is approved and its provisions are given the effect of law.

Now, while the C.N.R. was doing all those things, what was happening to the C.P.R.? We must remember that the traffic available for the railways of Canada is limited. My honourable friend (Hon. Mr. Dandurand) referred to that fact very pointedly. We have not in Canada as a whole sufficient population to produce traffic enough to enable the existing railways to pay dividends to their shareholders, or the interest that is owing to the public on their bonds and so forth. But here were these two systems competing for business, the C.N.R. on the one hand and the C.P.R. on the other. The C.N.R. in the past ten or fifteen years has spent millions upon millions of dollars on branch lines and facilities of all kinds—better equipment of all classes, more trains and faster trains, more luxurious cars, hotels, fine offices, radios, telephones—facilities of every character, in order to secure traffic from somewhere. The Government was back of it all the time, supplying the funds to enable it to do these things. What were our C.P.R. friends to do? Were they to sit down and do nothing? Were they to lose part of the traffic that they so badly needed? Were they to allow the C.N.R. to surpass them in providing facilities and services for the public? They could not submit to that. I do not say that the Canadian Pacific Railway expended money foolishly. What I desire to point out briefly is that the C.P.R. had to get into the race for supremacy, to some extent at least; that it could not allow the other railway to surpass it in every

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direction; and if the C.P.R. is involved in this phase of the problem it is because, in a sense, it was more or less forced into it.

This brings me to the question how far and in what fields of activity it is desirable to apply checks on the management of either or both of our great railway systems. In this connection it seems to me that we should always bear in mind the fact that all railways which are not operated for private use are now commonly classed as public utilities. While a railway may be owned and operated by its shareholders, we must not forget that it exists for one purpose, and one purpose only—to provide transportation facilities for the public. Hence the public have, and really should have, a paramount interest in it. This is the view now held and acted upon in all modern democracies, with the result that the State, by statute, exercises varying degrees of control over most of the privately-owned utilities of this class. We are a long way from the old theory about private interests. In the case of public utilities the world over, the State has not hesitated to interfere for the public good.

I am not, of course, suggesting that the State should interfere with vested rights—and by vested rights I mean only those rights that the State itself, with its eyes open, has given to private interests. I am not suggesting that the State should interfere with private rights in such a way as to injure anybody, unless at the same time it is prepared to make compensation for the injury done.

However, if there is any real opposition to the principle of control as contained in the Bill, every member of this Chamber will have to look a little more closely into the situation and consider this question. I think that if in connection with this Bill, or any Bill of this character that might come before us, it can be shown that parliamentary interference is in the interest of the public—of those who use the utility—and that at the same time it is not injurious to the company, then without doubt Parliament should interfere. In other words, if the conditions are as I have stated, we should not stand simply on the principle that there should be no interference with private rights. So I submit that when we come to deal with this Bill in committee, unless it can be clearly shown that its provisions would be detrimental to the interest of the great mass of our people, no honourable member should hesitate to put his stamp of approval upon it. I am sure that every honourable member will agree with me in this respect.

As I see it, there are only two new principles in the Bill, two principles which if put

into effect will change the existing status of both our railways. One of these principles relates to the management and control of the Canadian National Railway System. We all know how it is managed at the present time. Parliament provided for a president, with very large powers, and a board of directors. We are familiar with the method of appointment of those directors, and we are aware what their duties and functions have been. Well, rightly or wrongly—personally, I do not know which—there is a prevailing opinion in Canada that the various members of the past boards were not qualified for their task. They were not railway men; many of them were not big business men. I dare say that they all were estimable citizens and successful in their respective spheres, but I repeat, they were not railway men. I mean that in the sense that they were not big enough to manage the affairs of one of the largest, if not the largest, of all railway systems in the world. Well, it is proposed that Parliament should grapple with that situation. I need not dwell upon it, for I am sure there is not a member of this Chamber who believes that we should not put an end to the present arrangement, which was established by Parliament and has been maintained by all governments in this country for a number of years.

The Bill proposes that there shall be constituted a tribunal of three trustees in place of the old board. I feel almost inclined to say that personally I should be in favour of having only one trustee. It is impossible for a large board of ten, twelve or fifteen members to manage properly the affairs of a railway system such as the Canadian National. Big business the world over is conducted by small executive bodies, yet in this country for years we have depended upon a large, unqualified board to handle the biggest government business that we have. That business naturally failed, not on account of the depression that has lasted for some years, but, in my opinion, because the system was wrong. Sooner or later it was bound to fail. The board did not have the brains, ability and control that should be possessed by those managing a big business of the character of the Canadian National. If the tribunal is constituted as the Bill provides, we all, I think, shall hope that the present and future governments will see that no person is appointed to it on the ground of political expediency, or on account of what he has done for his party, but that, on the contrary, every appointment is made solely on the basis of fitness for the position.

We may find it difficult to agree as to the number of members that should be appointed to the board, and I have no doubt there will be difficulty in this respect in another place. Up to this time the provinces have been represented on the board. Are they going to lose their representation? Will there be demands that the provincial representation should be continued? Furthermore, labour is now represented. Is labour to lose its representation? I understand that already a movement is under way to make certain that no matter what kind of management Parliament finally decides upon, labour shall have its representation. There is, of course, nothing in the Bill forbidding the representation of labour. However, these are matters that can very well be considered when we have the measure in committee, where many proposals will undoubtedly be made to us.

The second new principle in the Bill is the one that relates to co-operation between the companies. To a certain extent that is not new, for the two great railway companies have been co-operating, with varying degrees of success, for a number of years. Apparently they were forced to do so to some extent, by the action taken by this House some years ago. It will be recalled that they appeared before us requesting authority to build parallel lines that would compete for traffic in territory where there was room for only one line, and in committee we said to them, in effect, "You people get together, talk things over and come to a sensible conclusion." That is what they have done, and with respect to many other activities besides those that were then under consideration. But their co-operation so far has been voluntary. They have taken a course of action to which no one objects. Now this Bill provides for compulsory co-operation. In effect it says to the two companies: "You have been running amuck these past few years. It is quite true that you have been co-operating in some things, but in other respects where we should like you to co-operate you have not done so. You have had many disagreements. Now we think the time has arrived when you should talk things over and agree to work together in certain activities. If you cannot agree we will compel you to do so under the means provided." In other words, if the Bill in its present shape becomes law, the two companies must co-operate in the future with respect to the use of terminals, running rights, the avoidance of duplication of certain services, and various other things referred to in the measure. That is going pretty far. Just how strenuous will be the opposition to that particular provision I do not know.

At the present time I am not going to express any opinion as to what our final decision should be, nor would I ask any other honourable member to express an opinion at the moment, for before we make up our minds we must give very careful consideration to these two new principles, the adoption of which is proposed as essential to at least a partial solution of our transportation problem. I frankly confess that I do not know what decision I shall finally reach, but I may say that at present I am strongly inclined to agree to both principles in their entirety. However, as someone once remarked, "I am from Missouri," and I must be clearly shown the facts before I commit myself. I think I have said all that I should say at this time. As a matter of fact, it was not necessary for me to say anything at all about the Bill, because, as I understand, we are not asked to approve its principles at this time. The Bill, I presume, will simply be given a pro forma second reading, and every honourable member will be left free to take a stand for or against any principle or detail. As I said early in my remarks, I have no doubt that if honourable members will bring to the consideration of this problem their great abilities and ripe experience, the Bill when ready to be transmitted to another place will be found to embody the very best united judgment of this Chamber.

Hon. C. P. BEAUBIEN: Honourable members, I have but a few brief observations to offer in respect to this measure, unique in certain of its provisions, and one of the most important pieces of legislation ever submitted to this Chamber.

May I congratulate the right honourable leader of the House (Right Hon. Mr. Meighen) on the atmosphere with which he has surrounded the consideration of the subject-matter of the Bill, and also honourable members on the other side who have participated in the debate on the care with which they have sought to preserve that atmosphere.

I commend the action of the Government. A grave emergency confronted the country. The Government rose to the occasion and with unexampled promptitude implemented the recommendations made by the Royal Commission which it appointed to investigate and report on the railway situation.

Probably it is time lost to dwell upon the genesis of the present unhappy condition of our railways, but I may be permitted to make one remark, although it may seem to be at variance with what I have just expressed as to the line of conduct which should guide us in our consideration of this Bill. Of course

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there is no use in crying over spilt milk, but perhaps some profit may be gained in the future if we do not forget altogether the lessons of the past.

Honourable members, it is not so very long ago that a campaign was started against the Senate. A crusade was engaged in, and a certain Prime Minister pledged himself to obtain from newly-appointed senators an undertaking that they would submit to his dictation and support any measures that he might introduce to reform this House.

Right Hon. Mr. MEIGHEN: Hear, hear.

Hon. Mr. BEAUBIEN: I think I can mention this fact without hurting the feelings of any honourable gentlemen sitting on the other side. Why? Because when no fewer than twenty-three bills were presented to this Chamber to extend unduly and without justification the branch line mileage of the Canadian National Railways, the Senate said no. For taking this course, a course fully justified by subsequent events, we were vilified and condemned, and a promise was made to the country to reform this Chamber. Honourable gentlemen on the other side—and they were numerous—did not heed the menace. The Senate stood firm. Will the country now remember the national service the Senate then rendered? Would it not be wise, particularly for our good friends in the West, to recall that the demands then made were not in the best interest of the Dominion? Have we not ample evidence of this to-day? Who has the temerity to contend that this part of our railway history should be altogether forgotten?

But I am not going to dwell upon the errors of the past, numerous though they were. I think the condition in which those errors have placed both railway systems may be stated in a very few words. There was not sufficient traffic for the two railways. Consequently they entered into a death struggle to control the traffic.

However, the financial consequences of that struggle were vitally different with respect to each railway. Whereas in the case of the C.N.R. the treasury had to pay the piper, in the other case the C.P.R. shareholders had to bear the cost. Therefore it seems to me that in considering this measure as it affects both railways, that vital difference between the two great undertakings should be kept always in view.

The prime purpose of the Bill is to impose co-operation. This in my opinion is what makes the measure so exceptional in its scope. In a word, super-sovereignty is to

be exercised over both systems. In the case of the Canadian National, of course, Parliament, as representing the people, can do what it likes with its own property; but to exercise super-sovereignty over the C.P.R. is something altogether different. I heard it said this afternoon that present conditions had little to do with the submission of this Bill. I beg to differ with that statement. My opinion is that unless we were engaged in a desperate struggle with the depression now dominating the whole world, never would we consider a law as drastic as the present measure. Honourable members may remember a speech delivered in this House two years ago, not without fairly general approval if I remember rightly. In the course of that speech an honourable member stated that the then president of the Canadian National Railways was a "miracle man"—that he had performed wonders. Well, I do not want to attack the ex-president of the C.N.R. I think there is a good deal to be said, if not in justification, at least in extenuation of his management. I believe many of my colleagues will admit that if we were still enjoying fairly prosperous times, or even if conditions were at all normal, legislation of this kind, however necessary it might be, would never have been proposed, much less introduced for our consideration.

May I express to this House, in the terms of the report of the Transportation Commission, the absolute necessity for some legislation of this kind at the present time. In the final paragraph of its conclusions, the Commission, to my mind, gives to the country at large a solemn warning which no one should ignore. This is the paragraph:

We feel compelled, as a matter of public duty, to strike a serious note of warning to the people of Canada. Unless the country is prepared to adopt the plan we have proposed, or some other equally effective measures, to secure the efficient and economical working of both railway systems, and thereby not only reduce the burden on the federal treasury but improve the financial position of the privately-owned railway, then the only courses that would be left would be either to effect savings in national expenditure in other directions, or to add still further to the burdens under which the industries of the country are suffering by the imposition of yet further taxation. Failing the adoption of one or other of these courses, and there are obvious limits to their application, the very stability of the nation's finances—

I emphasize these words.

—the very stability of the nation's finances and the financial credit of the Canadian Pacific Railway will be threatened, with serious consequences to the people of Canada and to those who have invested their savings in that railway.

I have heard this paragraph discussed by people in the best possible position to judge its significance. It is difficult in advance

fairly to gauge a danger of a general character, such as an attack upon the financial credit of a country. I remember very well being in France in 1925 and 1926 when the franc was falling one, two and three points a day, and the panic that prevailed. Why? Because every man's assets represented by the franc were rapidly melting away. A man worth a million saw his fortune dwindling by ten thousand to fifty thousand francs every day, and ultimately he had left to his credit not more than one-fifth of his fortune. I remember being in the Ruhr in 1923, when every person I met on the streets had a basket on his arm. Why? Simply because the value of his money was vanishing so rapidly that immediately he received any payment he converted his cash into food. Everybody was looking for food. I saw at work in the fields, digging potatoes, well dressed men and women of apparently good standing in the community. Of course, Canada is in a privileged position; she has virtually unlimited natural wealth. But Canada is young; she has not the accumulated wealth of the older countries of Europe, and she cannot bear the weight of the Canadian National Railways if that system is to continue to lean heavily on the treasury. The warning contained in this paragraph should strike home to all Canadian citizens, for it says to us: "Hark ye! Whatever you hold to your name, represented by Canadian dollars, be careful." And we must be careful. This is no time to minimize the gravity of the situation. If it were not so, would men of the stamp of the members of the Royal Commission, after an exhaustive investigation of our railway problem, have sounded such a solemn warning as to the impending disastrous effects which the national credit would suffer should we fail to take proper measures? Therefore I submit that this proposed legislation is of such paramount importance in its far-reaching consequences that it compels our most careful consideration.

Without doubt this is a drastic Bill. If we legislate unwisely with respect to the Canadian National Railways Canada pays the piper. If we legislate unwisely with respect to the Canadian Pacific Railway, of course, first and foremost its shareholders will pay for our errors. But there is something further involved, and I desire to submit it to the consideration of honourable members. Not so very many years ago people in the heart of Europe knew practically nothing about Canada, but they would readily assert that they had some securities of the Canadian Pacific Railway Company, and that none were better. Those honourable members who have travelled in

various European countries during the last twenty or thirty years will confirm my statement. Undoubtedly the Canadian Pacific Railway is the greatest transportation company in the world. The welfare of the Canadian Pacific Railway is intimately bound up with the welfare of Canada, and I do not think I exaggerate when I say that if through this or any other legislation we should cause serious injury to the credit of the C.P.R., without doubt our national credit would be correspondingly affected. I do not think this proposition can be contested for one moment by any one familiar with the financial markets of the world.

In closing, may I say that the extremely grave situation in which we find ourselves calls for drastic treatment. But let us be careful. Let us not unwisely place on the C.P.R. such a serious and unjust handicap as may in the future prevent it from fairly guiding its own destinies in its own interest as well as in that of the Dominion. Financial centres are extremely sensitive, and I have already heard it said on very good authority that the super-sovereignty which this legislation is intended to impose upon the C.P.R. may very well prove to be a serious and unjust handicap to its financing operations in the future. I for one commend most highly the policy of the Government in giving Parliament the fullest possible time and freedom to examine and carefully weigh this Bill. It seems to me that before pronouncing on the principle involved, it would be wise for the Standing Committee on Railways, Telegraphs and Harbours to give those who are most directly interested in the matter an opportunity to appear and present their views. After all, we cannot treat lightly the interests of the two great railway systems. Both are tremendous assets of Canada, and upon them largely depend the credit, the prosperity and the welfare of this country.

Hon. J. S. McLENNAN: Honourable members, I had intended to address the House at considerable length, but so much with which I agree has been said by honourable members on both sides of the House, and said more forcibly and more convincingly than I could express similar views, that I shall be very brief.

This debate in some respects resembles a debate on the Address, in which we congratulate the mover and the seconder. But in this instance I must go further and commend all those honourable gentlemen who have already spoken on the tone or temper of their addresses. It augurs well for what shall

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come from this House when we shall have completed our examination of the Bill in committee.

We have to thank the honourable member for Parkdale (Hon. Mr. Murdock) for giving us some extremely interesting information on this subject. I should like, however, to relieve his mind of the fear that men will be deprived of their income by reason of the machinery that is to be set up in order to bring about economies and make the railroads of Canada more effective. The men to be appointed to the board of trustees or to the arbitral tribunal under this Bill should possess certain qualifications. Those qualifications should be ability, experience, and, I believe, a sense of humanity; for no matter how great a man's cold-hearted ability may be, it will never enable him to appreciate the feelings of those with whom he has to deal. Sympathy is of the very essence of success in dealings between man and his fellows. I trust that the appointees under this Bill, whoever they may be, will do all in their power to lighten the burdens of those who have been unfortunate enough to have as their employer an over-staffed railroad. I hope that this can be done without minimizing the effect of the efforts to achieve a result which is greatly desired and very necessary to the country. I assure the honourable gentleman that this feature will not be lost sight of, for if it were, the success of the efforts of all the members of this House would be greatly diminished.

I come from the East, where the industry of mining is, I might say, hereditary to such an extent that the men engaged in it cannot easily change to another occupation; where steel-workers for many weeks have seen no smoke issuing from the chimneys of the open hearths; where the fishermen, although the harvest of the sea has been most bountiful, have been able to secure practically nothing in return for their commodity. I come from a province where in an hour or two a gale swept away about seventy-five per cent of its chief crop, which was nearing maturity.

Unfortunately there prevails throughout Canada a condition whereby men and women have been thrown out of employment, a condition for which, until the financial balance of the world has been restored and established on a sound basis, there is apparently no great hope of improvement.

While I join in all that has been said about the excellence of the Duff report, I should have liked to see in it something dealing more fully with the question of the amal-

gamation and unification of our two railroads, because it is only by unification, I believe, that the utmost degree of effectiveness can be attained. I should have liked to see a fuller exposition of the various suggestions that have been made in this regard from time to time, even though the board had said, "We do not think that these are feasible at the present moment." I am voicing only my own opinions, but I hold them very firmly. I am convinced that if the report had contained an earnest and sound exposition of the subject of unification, those who say that public opinion is opposed to any such plan would be very much surprised to find what a large proportion of the people of Canada would be converted to it.

Without desiring to raise a controversial subject—for it makes no difference to the argument which party took one side and which the other—may I allude to what I regard as one of the most outstanding instances of the conversion of the public to be found in the pages of modern political history. I refer to what occurred in relation to reciprocity in 1911. No one can doubt that if the Government of that day had gone to the polls within five or six weeks of the announcement of its platform it would have swept the country. But in the interval before the elections the party in opposition plucked up courage, if I may put it that way, and went about the country telling the people what would result from such a policy, and, aided by communications from Washington, it succeeded in carrying the day.

It seems to me that the matter of unification is of sufficient importance to be placed fully before the people. Failing this, I should like to see it made the first duty of the board of trustees to immolate themselves in an endeavour to ascertain what the people think of a solution which would be much better, in my opinion, than any of the substitutes for it that have been suggested.

The honourable member for Parkdale (Hon. Mr. Murdock) in his speech yesterday used an expression which I thought was inaccurate. He referred to "reckless optimism." Except for one outburst within recent years, I do not think the people of Canada have ever been optimistic or reckless. The general attitude of the people of Canada as I remember it—and I can go back a good many years further than I care to state—has been one of steadfast determination. Canada has taken up one job after another, not because it so desired, but because it was the right thing to do, and in spite of the fact that many thoughtful people deemed it beyond her

capacity, she has always gone on to the end. That attitude has been demonstrated over and over again since the time when a proposal to improve the navigation of the St. Lawrence and to build canals was considered revolutionary. It was demonstrated during the War of 1812, to go a long way back, when alien armies invaded the two provinces of Old Canada, in the days when privateers harried the shipping of the Maritime Provinces. It was displayed in the years following the Napoleonic Wars, and again during the political and financial troubles of 1837. Once more, in the forties, when Canada received a set-back by the repeal of the Corn Laws, the same spirit was manifested; and it was apparent in 1850, when Lord Elgin said that his having succeeded in securing a reciprocity treaty had prevented dire results. In 1867 we had another illustration of it. Apparently it was not until the first ten years of this century that we enjoyed a decade of uninterrupted prosperity. The attitude of Canadians during all these times has been one not of recklessness or light-headedness, but rather of stubborn steadfastness and fixed resolve that, having put their hand to the plough, they would go on to the end of the furrow.

I think that these same qualities will come to our aid in the present crisis, but, no matter how high the spirit of the people of Canada may be, it will avail us little unless the utmost care is exercised in dealing with this problem. We have made two or three false starts in dealing with our railways. We cannot afford to make any more. However, the attitude manifested by this House so far inspires the hope that we shall arrive at some conclusion that will be greatly to the benefit of Canada in the future.

Hon. RODOLPHE LEMIEUX: Honourable members, I shall not detain the House at any great length, but I think that as a member of the old guard, and one who during his tenure of office in the other House has seen the various railway transformations, I should say a word or two before this Bill passes. I have listened with a great deal of interest to the discussion in this House on this very important question. I must congratulate the Government upon having first referred the Bill to this Chamber. That action should create an excellent impression in the country.

The debate so far, with the exception of some words uttered by the very distinguished leader (Right Hon. Mr. Meighen), about the administration of the C.N.R., has been on a high level.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. LEMIEUX: I listened yesterday with a great deal of attention to the speech of my honourable friend from Alma (Hon. Mr. Ballantyne). I take exception to only one phrase in his practical address. He said that the dead past should bury its dead, and that on this vexed question there was no need for an exchange of brickbats between members on the two sides of the House. He added that he had served this country under two governments—the Borden Government and the Meighen Government. That may have been a slip of the tongue, for I remember very well the time when he served under the Laurier Government. I agree with him absolutely that we should not waste our time blaming each other for what has occurred during the last twenty years. We were all sanguine about the future of Canada, all optimists, and with the great wave of immigration that was coming to Western Canada, we anticipated that the population of the country in the near future would be sufficient to justify the building of this huge railway system.

What I meant a moment ago, when referring to my right honourable friend the leader of the House (Right Hon. Mr. Meighen), was that I thought he had been unduly severe upon Sir Henry Thornton. We all know the old Latin proverb: *Donec eris felix multos numerabis amicos; tempora si fuerint nubila, solus eris*. During the prosperous years extending from 1922 until recently Sir Henry Thornton was a man who bulked large, a man who, for the advertising he gave Canada wherever he appeared, was well worthy of his high salary. Opinions may differ as to that, but those who are familiar with the circumstances will not be too severe in their judgment of Sir Henry Thornton's management. As was stated by my honourable friend from Salteaux (Hon. Mr. Calder), Parliament gave to Sir Henry Thornton a free hand in the administration of the big property entrusted to him. It is alleged that he has failed, but we must remember that everything in Canada and in the whole world is now at its lowest ebb. Let us not be too critical. I am old enough to remember the day when the epithets "spendthrifts" and "poor business men" were applied to the railway builders who in the eighties had the vision to construct the Canadian Pacific Railway despite great financial difficulties. We all are aware that there were times when they did not know whether they would be able to get enough money to carry on their tremendous task. But success came with the passage of the years, and then these men were hailed as great Canadians and nation-builders.

Hon. Mr. LEMIEUX.

Right Hon. Mr. MEIGHEN: Before the honourable gentleman goes further, would he object if I asked him to please refer to the language of mine which he considers was too severe?

Hon. Mr. LEMIEUX: I have not the Senate Hansard before me, but I have a copy of the Ottawa Citizen, which quotes the right honourable gentleman as follows:

You can look anywhere over the length of this Dominion, at either coast, in any province, almost in any city, and see blazing instances of extravagance, an extravagance which is the principal chain that ties the feet of Canada to-day.

Right Hon. Mr. MEIGHEN: That statement is made in other, but no less severe, language in the report itself.

Hon. Mr. LEMIEUX: Possibly so, but it is not more justifiable there.

Right Hon. Mr. MEIGHEN: It is true.

Hon. Mr. LEMIEUX: Each of the two parties has been in power at certain periods during the last twenty or twenty-five years, and if there has been extravagance both parties are guilty.

Right Hon. Mr. MEIGHEN: I referred, not to any party, but simply to the road.

Hon. Mr. LEMIEUX: My right honourable friend has a nimble mind. He knows that what he said there was directed at those who sit to the left of Mr. Speaker in both Houses, and at the man whose services had been hired by the Government of Right Hon. W. L. Mackenzie King.

Right Hon. Mr. MEIGHEN: That is right.

Hon. Mr. LEMIEUX: Then he contradicts what his own friends and leaders have said. I am not trying to interject political remarks into this debate when I say that my right honourable friend must accept his full share of responsibility for this disastrous railway situation. It is true that the way in which he handled the enabling legislation built up a reputation for him as a clear-minded and forceful advocate, and a great orator. I was present in another place when members of his own party, and even the present leader of that party, feared the exercise of his legal genius in defending the measure which has now brought us to such an unfortunate position.

Right Hon. Mr. MEIGHEN: It was not the measure that did it.

Hon. Mr. LEMIEUX: That is a matter of interpretation. I would direct the right honourable gentleman's attention to a state-

ment made in 1929 by Hon. Mr. Guthrie, the present Minister of Justice, who was, not so long ago, the leader of the Conservative Party in the other House. Referring to the opposition of the Liberal Party to the railway policy so ably propounded by my right honourable friend when he was a member of the Borden Government, Mr. Guthrie said:

Nothing was left undone or unsaid by our opponents. We were told that we were going to bankrupt the Dominion of Canada. It was claimed that those roads should be put into liquidation, go through the Exchequer Court of Canada and be put on the auction block. If such a course had been followed there was only one power in Canada to purchase them, and that power would have been able to create the greatest railway monopoly ever created in any country in the world.

The Liberal opposition to the railway policy advocated by my right honourable friend was expressed in the session of 1917, and again in 1919, when the Bill finally creating the Canadian National Railways was adopted by Parliament. In passing, I might mention that Parliament was convened in 1919 for the purpose of ratifying the Versailles Treaty. I was leaving with my family for Europe and I inquired of the then Speaker if I might feel free to go. He said: "Certainly. Parliament has been called principally to ratify the Versailles Treaty." Parliament met early in the autumn, and I did not return to Canada until April of the next year. In the meantime the right honourable gentleman had very ably prepared legislation that created the Canadian National Railways. Ten years later, in 1929, Hon. Mr. Guthrie made this further statement, to which I hope my right honourable friend will listen carefully:

Now, when this wonderful Canadian National Railway System has more than justified itself; now that it is rapidly becoming in the nature of a great national asset—

That is not the language of my right honourable friend, who referred to "an extravagance which is the principal chain that ties the feet of Canada to-day." Hon. Mr. Guthrie's remarks continue:

—now that we may look forward to a day, not perhaps in my lifetime, but in the lifetime of some here, when this system will start repaying the Government of Canada a part at least of the money it owes to the Treasury, to the day when it will have a clean sheet, as it ultimately will have, in regard to its bonded indebtedness to the public; now that the system is in this, a thoroughly prosperous condition, this Government—

That is, the King Government.

—desires to treat it as its own creature. Whereas in 1919 it tried to cast it out as base-born, now it wants to consider it as its legitimate offspring, and to profit by its success.

And in referring to the Canadian National Railways Hon. Mr. Guthrie also said, "We on this side of the House are all optimists." Well, in 1929, and for some years before, we all were optimists, we all believed that the Canadian National would be ultimately successful.

Notwithstanding my great admiration for the right honourable gentleman's legal acumen, I voted against him in another place when he presented that legislative child to Canada. I thought he was too optimistic then, just as I believe he is too pessimistic now when he throws the child back to the party to which my honourable leader on this side and I have belonged for so many years.

Right Hon. Mr. MEIGHEN: I do not throw the child back; I simply complain of the treatment it has received.

Hon. Mr. LEMIEUX: My right honourable friend has not a long memory.

Right Hon. Mr. MEIGHEN: It is pretty good.

Hon. Mr. LEMIEUX: Does he not remember what happened in 1917, when all Canada was deeply concerned over the grave events occurring on the other side of the Atlantic ocean, and our soldiers were embarking at Halifax, Saint John, Montreal and Quebec to join the Allied forces? What inspired my right honourable friend to bring in a measure for conscription then? I was not going to speak of that, but he will persist in throwing stones at the Liberal Party when he is dealing with the railway situation. I consider that the conscription issue was only camouflage; that the real object in introducing it was, by diverting attention, to secure the passage by Parliament of the Canadian Northern Railway measure. In my mind's eye I can still see Mackenzie and Mann, Sir Clifford Sifton and those who were in partnership with him, and many others, surrounding the ministers and even members of the opposition, begging them to try to have the life of Parliament extended for another year. Now, why was the life of Parliament extended by one year? And why has the debt of Canada increased to such vast proportions? My right honourable friend knows the answer, and it is contained in the Drayton-Acworth report. He knows that the western provinces and one eastern province had guaranteed huge sums of money to the Canadian Northern, and that the time had come when these guarantees had to be implemented if the road was not to be declared bankrupt. Now, was the conscription issue not a camouflage used

in order that the Canadian Northern measure might be passed and the provinces relieved of their burden?

Right Hon. Mr. MEIGHEN: That is preposterous.

Hon. Mr. GORDON: Shame! Shame!

Hon. Mr. LEMIEUX: This is not the time to open up that question, but it will be dealt with ultimately, when the history of that unfortunate period is written. Some of the best friends of Sir Wilfrid Laurier went to him in great trouble and said, "If this measure does not pass, the Canadian Northern will not be taken over, Canada will not assume the railway debts of our respective provinces and they will be bankrupt." The then Government of Nova Scotia had pledged the credit of that province to Mackenzie & Mann for almost \$10,000,000, and the guarantees of the western provinces were so high that I cannot remember the figures; I know they were more than a hundred millions. That situation was the origin of our miseries, of our financial troubles with regard to railways; and the right honourable gentleman was the master mind in having the legislation passed by Parliament in 1917 and 1919. I am not trying to punish him by these reminiscences, but why should he question my statements?

Right Hon. Mr. MEIGHEN: I can stand the reminiscences.

Hon. Mr. LEMIEUX: I know that my right honourable friend has many sins on his conscience. While the Senate is quite willing to absolve him, he must promise us that he will behave better in the future than he has done in the past.

Hon. Mr. GORDON: The honourable gentleman should speak for himself and not for the Senate.

Hon. Mr. LEMIEUX: I have read the Royal Commission's report with a great deal of attention. It is, I suppose, the best that could be obtained under the circumstances, but I must say that I strenuously object to the proposal to effect what is nothing more nor less than a confiscation of the Canadian Pacific Railway's charter rights. It may be said that the Canadian Pacific has obtained a great deal from Canada. That is true, but on the other hand the Canadian Pacific has given a great deal to Canada in return. The credit of Canada and that of the Canadian Pacific have been for many years almost synonymous. Now it is proposed that Parliament should say to the C.P.R.: "After all the trouble we have created we are going

to deprive you of solemn rights that your charter gives you. You must give up certain of your powers to a tribunal."

Of course, I know that the tribunal will be composed of men of high character and will dispense justice, but we already have a Board of Railway Commissioners, which in my judgment could continue to give better service than can be obtained under state ownership. I am against state ownership. I remember when, in the days of Sir Oliver Mowat, the Province of Ontario was the banner province of Canada, but since it has adopted the policy of state ownership of certain utilities, such as the Hydro—my right honourable friend is a member of the Hydro-Electric Power Commission of Ontario—the credit of the province has declined. And now that province has to look up to the Province of Quebec, which twenty-five years ago was not considered at all comparable financially with the great Province of Ontario.

I submit that a better system than state ownership of railways was established by the Laurier Government when it created the Railway Commission. What have we to fear but unduly high freight rates or unjust discrimination? The Railway Commission is vested with ample powers to protect the public against any such abuses on the part of the railways. But we have been under the impression that state ownership—so flamboyant to-day in the economic policy of Russia—would be the cure for all our ills. I contend that common sense will eventually prevail and that we shall come back to the competitive system. Was there ever a corporation more soundly organized and better managed than the Canadian Pacific Railway Company? I am not what is called on the street "a C.P.R. man." I am simply an admirer of the C.P.R. When I travel abroad, as my friend from Montarville (Hon. Mr. Beaubien) said a moment ago, I feel proud of the C.P.R., just as I feel proud of the Bank of Montreal and of all our other financial institutions.

Now, by this Bill we in effect confiscate some of the statutory powers which were solemnly granted to the Canadian Pacific Railway Company by the Parliament of Canada. If no alternative is brought forward I shall not oppose the Bill; I shall simply bow to the wisdom of the majority. But let us be very careful in the step we take. Again I say that I am pleased that the Government has asked the right honourable leader of the House to introduce the Bill in this Chamber. I am confident that it will be

Hon. Mr. LEMIEUX.

thoroughly scrutinized by the Standing Committee on Railways, Telegraphs and Harbours.

I hope that eventually we shall find a solution for our railway problem. I am not despondent at all. I believe that this very acute crisis will pass away. Why, every week I read in reviews and other periodicals the history of past crises. They are not of a permanent nature. Only a few days ago I observed that the monthly report issued by the Royal Bank of Canada contained an article describing most desperate conditions, and naturally I thought the writer was dealing with present-day conditions in Canada and all over the world. But no. He said that those desperate conditions followed the Napoleonic Wars. We know from our study of the history of those times how seriously Europe was affected, and the reaction was felt even in Canada. So economic and industrial depression is not a permanent condition, and if we keep our heads level, if we refrain from joining the hue and cry in favour of state ownership, which has already ruined so many countries, I am confident we shall emerge triumphantly from the present world-wide depression.

I regret it if I have been unduly severe towards my right honourable friend the leader of the House. I did not intend to be severe; but the less we engage in open warfare with one party or the other with respect to present-day railway conditions, the better for us all. Let us attend in the proper spirit the standing committee to which this Bill is to be referred. Let the right honourable gentleman forget the past, except to remember that on this very question he was opposed in the other House by his present leader.

Hon. Mr. SHARPE: You cannot forget conscription.

Hon. Mr. LEMIEUX: Conscription was nothing but a camouflage to cover the Mackenzie & Mann legislation.

Hon. Mr. SHARPE: You could not help bringing it up again.

Hon. Mr. LEMIEUX: No; I was forced to bring it up. I am not ashamed of my attitude on conscription.

Hon. Mr. SHARPE: You should be.

Hon. Mr. LEMIEUX: No. There were more soldiers in Canada and in the camps at the end of the War than there were at the front, according to a report issued by Sir Andrew Macphail. But that is past and gone.

Hon. Mr. SHARPE: Then let it die. Why bring it up again now?

Hon. Mr. LEMIEUX: Very well, but do not provoke one to revive it.

Hon. Mr. SHARPE: It does not take much to bring that out of you.

Hon. Mr. LEMIEUX: That is all I have to say.

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

REFERRED TO STANDING COMMITTEE

On motion of Right Hon. Mr. Meighen, the Bill was referred to the Standing Committee on Railways, Telegraphs and Harbours.

Right Hon. Mr. MEIGHEN: Honourable members, it is my purpose in a few minutes to move that when the House adjourns it stand adjourned until Tuesday next at eight o'clock in the evening. But inasmuch as this Bill is of very great importance, and I know the standing committee will desire to sit and organize its work at as early a date as possible, I should like, with the consent of the House, to move:

That the Standing Committee on Railways, Telegraphs and Harbours be authorized to sit during adjournments of the Senate.

Hon. Mr. LEMIEUX: Does the right honourable gentleman refer to the present adjournment or to future adjournments?

Right Hon. Mr. MEIGHEN: I understand the rule is that a committee may sit during adjournment provided the adjournment is not longer than a week, but that in any other case it may not sit except by leave of the House. I should like this committee to be in a position to sit at any time between the present day and the completion of its work on this Bill. The chairman of the committee is the right honourable senator from Eganville (Right Hon. Mr. Graham). He does not happen to be present, but I feel sure this would be his desire too, although I have not spoken to him on the subject. That is why I have made the motion.

Hon. Mr. DANDURAND: The committee would not have its first sitting before Wednesday.

Right Hon. Mr. MEIGHEN: I did not know the right honourable gentleman (Right Hon. Mr. Graham) would be absent. I thought it would be his desire that the committee should sit next Tuesday.

Hon. Mr. DANDURAND: I think my right honourable friend would be sure of getting all the members of the committee here on Tuesday evening, when the Senate meets again. The committee could sit next morning.

Right Hon. Mr. MEIGHEN: It will be for the chairman to decide.

The motion was agreed to.

The Senate adjourned until Tuesday, November 8, at 8 p.m.

THE SENATE

Tuesday, November 8, 1932.

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

Prayers and routine proceedings.

CANADIAN NATIONAL—CANADIAN PACIFIC BILL

FIRST REPORT OF STANDING COMMITTEE

Right Hon. Mr. GRAHAM presented, and moved concurrence in, the first report of the Standing Committee on Railways, Telegraphs and Harbours.

Hon. Mr. LAIRD: Honourable members, before the report is adopted, I would suggest to the chairman of the committee that he consider whether it is advisable to reduce the quorum of the committee to nine. In view of the great importance of the matter referred to the committee, it seems to me the quorum should not be reduced. This is a time when we require the attendance of all the members of the committee who are available.

Hon. Mr. CASGRAIN: Others can come if they wish.

Right Hon. Mr. GRAHAM: In reply to my honourable friend, I would, Irish-like, ask him a question. Suppose the quorum were fixed at fifteen, and only fourteen members appeared, what then? We could not do any business, no matter how important it might be. There is nothing to hinder any member of the committee from attending the meetings. In view of the importance of the Bill that is to go to the committee, it seems to me wise that, while urging all members to attend, we should allow as much freedom as possible in dealing with the measure.

Hon. Mr. LAIRD: The reason given by the right honourable gentleman is the very reason why, in my opinion, a reduction should not be made. I do not think the business should be done by a small number of members.

The report was concurred in.

Hon. Mr. DANDURAND.

ANNUAL REPORTS OF RAILWAYS

ORDER FOR RETURN

Hon. Mr. CASGRAIN moved:

That an Order of the House do issue for a copy of the annual reports of the Bay of Chaleur Railway and the Quebec Oriental Railway for the years 1900 to 1910, both inclusive.

The motion was agreed to.

EXCISE BILL

FIRST READING

A message was received from the House of Commons with Bill 7, an Act to amend the Excise Act.

The Bill was read the first time.

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

Right Hon. Mr. MEIGHEN: To-morrow.

Hon. Mr. DANDURAND: I have no objection to the motion that the second reading be taken to-morrow. But I confess that I have not yet read the Bill, and if I happened to know of a reason for requesting an adjournment I would request it.

Right Hon. Mr. MEIGHEN: I am quite in accord with the position of the honourable senator. I am sure the Bill will be without fault or blemish.

CANADA GRAIN BILL

FIRST READING

A message was received from the House of Commons with Bill 9, an Act to amend the Canada Grain Act (Domestic Grain).

The Bill was read the first time.

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

Right Hon. Mr. MEIGHEN: To-morrow.

Hon. Mr. DANDURAND: Perhaps this Bill should be put down for second reading on Thursday, if the right honourable gentleman intends that the House should sit on that day. We may have nothing else on the Order Paper for Thursday.

Right Hon. Mr. MEIGHEN: It is my earnest hope that we shall have work for both to-morrow and Thursday, but whether we do depends upon some persons over whom we have no control—at least, over whom I have none. If we know to-morrow that we shall be sitting on Thursday, I shall have no objection at all to moving to-morrow that the second reading be taken on the following day.

Hon. Mr. FORKE: This Bill has not been printed, has it?

Right Hon. Mr. MEIGHEN: Oh, yes. It has passed through the Commons.

Hon. Mr. DANDURAND: The question is whether it has been distributed in this Chamber.

Right Hon. Mr. MEIGHEN: It will be in the morning.

ACQUISITION OF CANADIAN NATIONAL RAILWAYS

Right Hon. Mr. MEIGHEN: Honourable members, after some difficulty I have discovered one copy of the financial statement of 1917 respecting the Canadian Northern Railway system and the Grand Trunk Pacific Railway, which statement was asked for at a previous sitting by the honourable gentleman from De Lanaudière (Hon. Mr. Casgrain). I have much pleasure in handing it to the honourable gentleman, and hope that it will be returned, for it may be of great value to me later on.

Hon. Mr. CASGRAIN: That is not the one I asked for. I have had a copy of that in my desk and can lend my copy to the right honourable gentleman, if he wishes it. It contains only about twenty-five or thirty pages, whereas the report I am looking for was much larger, of about 300 pages. It was given to all senators and members of Parliament when we were dealing with the Canadian Northern Acquisition Bill. It is very strange that that report seems to have vanished into thin air. As I have said before, it would give us the figures for the six years between 1917 and 1923, concerning which there is now a gap, for the Duff Commission does not deal with the Canadian National Railways development prior to 1923. All the information contained in that report would be very valuable just now; but I take this opportunity of telling my right honourable friend that the gentlemen who sent that letter of protest, to which I referred some days ago, thought the information was very vague, and that is why they signed the protest.

Right Hon. Mr. MEIGHEN: What I have presented is the statement of assets and liabilities of the companies as submitted when the railway legislation was being dealt with. I understood that was the report desired. If there is a 300-page report I shall try to procure it. I am always desirous of making up for the laxity of honourable members who lose the copies that are distributed to them in the first place.

Hon. Mr. CASGRAIN: It was some fifteen or more years ago that we got them.

ADMINISTRATION OF PENITENTIARIES

Hon. Mr. DANDURAND: I should like to draw the attention of the right honourable gentleman to the trouble, which amounted perhaps almost to a riot, at the St. Vincent de Paul Penitentiary, and to ask whether, in view of the previous riot at Kingston, special orders have been given to the wardens or other penitentiary officials to take additional precautionary measures against outbreaks. I have been told that when there is a disturbance in any penitentiary the news of it will travel to all other institutions of the kind, and will reach them, however distant they may be, as soon as it reaches the newspapers, if not sooner. If this be the fact, I should like to know whether the happenings in the two penitentiaries I have mentioned have not been sufficiently alarming to warrant the issuance of special orders to every warden to do whatever is necessary, with a view to preventing uprisings.

Right Hon. Mr. MEIGHEN: I shall make inquiries and ascertain if any special orders have gone out. I have not the least doubt that precautions have been taken, because the very fact of the riots being bruited about would in itself be a reason for precautionary measures, and no doubt the wardens would act as required.

We must not overemphasize the national consequence of these riots of convicts. It is true they are something to be deplored, and guarded against. Our penitentiaries at this time happen to be very crowded; the numbers of inmates exceed the average by very substantial percentages; and the difficulties which the department has encountered under these circumstances are not lessened by the attention given by the press to lurid stories of ex-convicts and to things of that kind.

RADIO COMMISSION

Hon. Mr. STANFIELD: Honourable members, I read in the press the other day an article stating that the Radio Commissioners are going to travel all over this country, from the Atlantic to the Pacific, to inquire into radio operations. This country is getting sick of travelling commissions that are spending a great deal of money. As for this one in particular, I do not believe it is necessary at all, for we have in the Radio Branch of the Department of Marine very competent men who are quite capable of doing all that is

required. Yet three commissioners have been appointed, at salaries of \$10,000, \$8,000 and \$8,000 respectively, and in addition to that they will need a number of clerks and other assistants, new furniture and office space. It is time to call a halt to unnecessary expenditures of this kind, and I wish the right honourable leader of the House would bring my remarks to the attention of some one in authority in another place, with a view to preventing the tour of this useless institution, the Radio Commission.

Right Hon. Mr. MEIGHEN: As I did not detect a question in the honourable gentleman's remarks, all I can do is commend his speech.

INSURANCE ACTS

Right Hon. Mr. GRAHAM: I should like to ask the right honourable leader of the House whether he has anything to communicate to us concerning conferences or negotiations that have taken place between himself and representatives of the provinces with respect to the insurance legislation passed last year.

Right Hon. Mr. MEIGHEN: There is nothing that can be communicated at this time. Merely a commencement has been made. I think it is a satisfactory commencement, but even satisfactory commencements sometimes end in very moderate successes.

Right Hon. Mr. GRAHAM: It is the finish we want.

CANADIAN NATIONAL—CANADIAN PACIFIC BILL

MEETING OF COMMITTEE

On the motion to adjourn:

Right Hon. Mr. MEIGHEN: Although I think all honourable members have received notices of the meeting of the Railway Committee, to which has been referred the Canadian National—Canadian Pacific Bill, it will do no harm to mention now that that committee is to meet in the Railway Committee room immediately on the adjournment of the House.

Hon. Mr. CASGRAIN: To-night?

Right Hon. Mr. MEIGHEN: Yes.

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

Hon. Mr. STANFIELD.

THE SENATE

Wednesday, November 9, 1932.

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

Prayers and routine proceedings.

CANADIAN NATIONAL—CANADIAN PACIFIC BILL

REPORT OF COMMITTEE

Right Hon. G. P. GRAHAM presented, and moved concurrence in, the report of the Standing Committee on Railways, Telegraphs and Harbours on Bill A, an Act respecting the Canadian National Railways and to provide for co-operation with the Canadian Pacific Railway System, and for other purposes.

He said: While on my feet I wish to suggest to honourable members that they might well attend the meetings of the Railway Committee. There is a rule of the House pertaining to the attendance at any standing or special committee of any senator who is not a member of the committee. That rule is No. 81, and reads:

Senators, though not of the committee, are not excluded from coming in and speaking; but they must not vote. They sit behind those who are of the committee.

The members of the Committee are not particular as to where anyone sits, but they would be pleased to have present any honourable senator who can attend. The railway Bill now before the committee is a most important measure, and as it may not go to Committee of the Whole House for discussion in detail, it would be well that all members should become conversant with the provisions of the Bill, what the standing committee is doing, and—perhaps this is equally important—why it is doing so. I think such knowledge on the part of honourable members will tend to expedite matters when we come to deal with the Bill finally. It has been suggested that I make this statement in the House.

The Committee intended to begin to-day the hearing of persons interested, but no one seems to be prepared up to the present time. Two or three decisions have been made with respect to the way in which the meetings of the committee shall be conducted. One is that the meetings shall be open, and another is that all interested parties should be allowed to appear. It was suggested that when public

notice of the committee meetings had been given, either by way of this statement that I am now making or in any other way, interested parties who desire to appear before the Committee should be requested to notify it of the nature of the subject-matter with which they intend to deal.

The report was concurred in.

THE PRICE OF COAL

Before the Orders of the Day:

Right Hon. Mr. MEIGHEN: Honourable members, some three weeks ago certain allegations with respect to the price of coal were drawn to our attention by the honourable senator from Maisonneuve.

Hon. Mr. LEMIEUX: From Rougemont.

Right Hon. Mr. MEIGHEN: I am sorry there is "rouge" in it. The honourable gentleman drew to our attention certain allegations concerning the spread between cost and sale prices, especially between the cost of imported coal as landed in this country and the price to the consumer. Later on the subject was again brought to our attention. I stated on the first occasion that it was the duty of the Dominion Fuel Board to keep in touch with coal prices in general at all times, and I intimated to the House the nature of the investigations constantly being made by that board, adding that it had been asked to give special attention to the prices of imported coal at the present time.

The Fuel Board has made a report to the Minister. I have not as yet had the opportunity of reading it, but I am authorized to say to the House that, as I intimated when the question was first brought up, the Combines Investigation Act is applicable to this matter in the same way as to any other in which improper interference with trade is alleged. It will be remembered that I called attention to the Act, and to its provision that it could be set in motion by a certain number of persons—the actual number is six—who request an investigation and represent that there is need for it. I am advised by the Minister that, although communications have been addressed to the department, none have yet made such a request, in compliance with the statutory provisions. Nevertheless, the Minister has, in accordance with the powers vested in him under the Act, asked the proper official of the department to institute an investigation on the subject. This investigation will no doubt take the usual course.

Hon. R. LEMIEUX: Honourable senators, I am much pleased with the statement of the right honourable gentleman and with the decision of the Minister of Labour to proceed under the Combines Investigation Act. I have received many letters on this subject—in fact I have been deluged with them—and I have invariably replied to the writers that they should make their representations to the Fuel Board, whose chairman is well known throughout Canada; also that action could be taken through the Minister of Labour. The difficulty is that under the Act it is necessary that six persons should institute proceedings, and during these hard times it may be that the costs would prevent some persons from taking the necessary steps. I think the Government is well advised to proceed itself under the authority of the Act, in order, as I said the other day, to dispel, if unfounded, the impression now prevailing, that there is too great a spread between the price of coal delivered at the wharf at Montreal or Quebec and the retail price. I am, I repeat, well satisfied with the action taken by the Government.

EXCISE BILL

SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill 7, an Act to amend the Excise Act.

He said: The primary purpose of this Bill is to reduce the excise on liquors and cigarettes, in accordance with the reduction in the customs duty on these articles under the new British Preferential Tariff. Its other purpose is to enable the minister to extend the period from ten to fifteen years when making allowance for evaporation losses in respect of liquors held in storage.

Under the Conference agreement with the United Kingdom the duty on distilled liquors is reduced from \$10 to \$8. At the present time the excise is \$9. To preserve the same ratio between the excise and the duty, this Bill reduces the excise to \$7.

The former tariff on cigarettes of \$4.10 per pound and 25 per cent ad valorem has been reduced to \$3.50 per pound and 25 per cent ad valorem. This Bill provides for a compensating reduction in the rate of excise. The aims of the reduction are to discourage smuggling and to afford our manufacturers a better chance to compete with the man who rolls his cigarettes at home. I believe statistics show that the proportion of the individually rolled cigarettes to the manufactured is very high and is still growing.

It is anticipated that though these provisions may reduce the revenue collected on these commodities, yet by virtue of the wider application of the lower duties the revenue will recover and in the course of the second year exceed the present collections.

Hon. Mr. DANDURAND: If I understand the statement of my right honourable friend, this is simply consequential legislation.

Right Hon. Mr. MEIGHEN: Only in part. For example, in respect to liquors, it is not necessary to allow for evaporation in storage in order to comply with the treaty with Great Britain. Indeed, this legislation is not in any way binding upon us because of the treaty, but inasmuch as that treaty reduces the duty on liquors, it is necessary for us to reduce the excise to give the home distiller a chance. It is consequential in that sense. It is not consequential in relation to evaporation, but the provision is considered to be only just and fair; otherwise the man having liquor in storage would be charged excise upon a quantity which he does not have.

Hon. G. H. BARNARD: May I ask the right honourable gentleman whether any representations have been made to the Government with respect to the position of our brewers? I understand that the duty on malt liquors from England is also reduced by the treaty, but I see no provision in this Bill for any corresponding reduction in the gallonage tax on beer. The habit of rolling your own cigarettes has its counterpart in the permits for home brewing granted by the department. Personally, I can see no difference in principle between the two cases, and I should like to know if any representations have been made on behalf of the brewing industry.

Hon. Mr. DANDURAND: In so far as this legislation is consequential, I beg to point out to my right honourable friend that he is putting the cart before the horse—

Right Hon. Mr. GRAHAM: The horse will like it better that way.

Hon. Mr. DANDURAND: —for, as a matter of fact, the treaty itself is not yet before us. Evidently my right honourable friend assumes that we shall pass it. It strikes me that this measure is a little in advance of the trade convention upon which it is based.

Right Hon. Mr. MEIGHEN: Well, I am inclined to think that it would be wise for us to pass this Bill even without any trade convention, as it reduces the excise to a point where there is some chance of the home producer competing successfully with the

Right Hon. Mr. MEIGHEN.

smuggler on one hand and the home roller on the other. The Commons apparently took no exception to this Bill being passed, and I do not think that the Senate, hungering as it is for legislation to digest, should offer objection.

Hon. Mr. DANDURAND: I am offering none.

Hon. Mr. McMEANS: Answering the remarks of the honourable member for Victoria (Hon. Mr. Barnard), I do not think that the Government of Canada can legally grant a man a permit to make beer in his own house. I understand that if under such a permit he does brew beer, the courts will hold that he has rendered himself liable to a fine for having had in his possession liquor not purchased from a provincial government.

Hon. Mr. HUGHES: The temptation is very strong.

Right Hon. Mr. GRAHAM: Is the right honourable leader of the House sure the Minister of Justice (Hon. Mr. Guthrie) acquiesced in this knock at the home roller?

Right Hon. Mr. MEIGHEN: Knock? There is no knock at the home brewer.

Right Hon. Mr. GRAHAM: The home roller.

Right Hon. Mr. MEIGHEN: He is a man of great self-sacrifice.

Hon. Mr. HUGHES: Has the Government made any estimate of the reduction in revenue that may result from this legislation?

Right Hon. Mr. MEIGHEN: The Government is hopeful that if there is a small reduction in revenue it will be entirely overcome by the second year. I think the honourable member was in the other House when the late Mr. Fielding brought down his budget of 1922, which placed a very high tax on cigarettes. At that time I took the stand, and urged very strongly, that the tax would inaugurate an era of smuggling and result in a reduction of revenue. The Minister of Finance said if that should be the result the tax would be reduced at once. He found it to be the result, and in the spring of 1923 recommended a substantial reduction; and, inasmuch as the revenue then increased, his second thought proved to be correct. If that experience was in no way abnormal, there is no reason to anticipate a reduction of revenue under the present Bill.

Hon. Mr. HUGHES: My question was intended to refer to intoxicating liquors rather than to cigarettes.

Right Hon. Mr. MEIGHEN: The same principle applies to a considerable extent. There is a great deal of smuggling of liquors right now.

Hon. Mr. HUGHES: A great deal.

Right Hon. Mr. MEIGHEN: The boot-logger is penalized by this measure. It is hoped that by the reduction of his operations the revenue will not be diminished. I notice the minister has said that he expects a reduction of revenue in the first year, but a recuperation in the next year.

The question raised by the honourable gentleman from Victoria (Hon. Mr. Barnard) was not brought up in the other House, and I fear that I have not the facts which would enable me to answer his inquiry. I should presume—and in this I am taking some hazard—that in respect of beer there is no reduction in the British preference.

Hon. Mr. HUGHES: Honourable gentlemen, I hope the expectations of the right honourable leader of the House will be realized, but I fear that the reduction is not large enough to bring about the results that he anticipates. Very high duties on spirituous liquors are, in my opinion, and in the opinion of many others, the reason why there is so much smuggling. Geographical conditions in the Maritime Provinces lend themselves to that trade, which is exceedingly large. The islands of St. Pierre and Miquelon, where there is an unlimited supply of intoxicating liquors, are quite near to the Maritime Provinces, whose numerous harbours and rivers enable the smugglers to evade the officers of the law, and it is estimated by some who have given the matter consideration that fully seventy or eighty per cent of the liquors consumed in that part of Canada pay no duty.

Hon. Mr. McMEANS: They must be heavy drinkers.

Hon. Mr. HUGHES: That does not follow. I said seventy or eighty per cent of the liquors consumed in that part of the country. I suppose the people there are just as heavy drinkers as the people in other parts of the country. I do not think they are any worse or any better.

Hon. Mr. BUREAU: Eighty per cent of the liquors consumed in Canada?

Hon. Mr. HUGHES: In the Maritime Provinces. Before the War there was little or no smuggling, but during the first or second year of the War the duties were increased, and since then smuggling has increased tremendously. Not only has the revenue suffered in consequence of this illicit

traffic, but the people have been demoralized by it. A large sum of money is being expended, and a small army of men are being maintained on land and sea for the purpose of preventing this traffic, but apparently they are not equal to the task. In my judgment the only way to prevent smuggling is to bring the duties back to the levels at which they stood before the War.

Hon. Mr. CASGRAIN: Hear, hear.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. HUGHES: The revenue might suffer to some extent, but the moral character of the people would be preserved.

I am pleased to see a two-dollar reduction, but I should have liked to see an even greater one, because I believe it would probably eradicate this traffic. The legislation passed under the circumstances of the War, although it was for a good purpose, really had the effect of establishing schools for crime throughout Canada from Halifax to Vancouver, particularly in the Maritime Provinces.

I realize that anything I say on this occasion will not affect the legislation before us, but I think this an opportune time for members from the provinces by the sea to place their opinions on record and endeavour to educate the public so that they will look for the introduction of legislation to put a stop to this very great evil. That is my reason for addressing these remarks to the House at the present time. I believe that under present conditions, even if the preventive officers could prevent smuggling, the quantity of illicit home-brew, which is nearly as bad, would be increased. We should, in my opinion, lose no opportunity of trying to educate public opinion along the lines I have indicated, so that the Government would feel justified in still further reducing the duties in order to wipe out this illicit traffic. Before the duties became high we had no such thing as smuggling or home-brewing, and conditions were very much better than they are now.

Hon. Mr. MacARTHUR: Honourable members, I do not wish to touch upon the moral aspect of this great question, but would refer rather to the question raised by the honourable member from Kings (Hon. Mr. Hughes) regarding the loss of revenue. If honourable members will turn to the House of Commons Hansard of November 7 they will find that Mr. Ryckman, the Minister of National Revenue, has this to say:

I am sorry to tell the committee that we would expect, on the basis of the current business for the twelve-month period, a drop in revenues of between \$7,000,000 and \$8,000,000. This is a change which has been made as a

result of the trade agreements. The request was made, and we acceded, in an effort to fulfil our part of the bargain. Through benefits from other arrangements I hope that in time any loss will be fully made up.

I think that answers the honourable gentleman's question.

Right Hon. Mr. MEIGHEN: May I just point out that that estimate refers not only to the effect of this Bill, but also, and in much larger measure, to the effect of the trade agreements.

Hon. Mr. HUGHES: I think the honourable gentleman is in error. I think that the loss as estimated by the Minister of National Revenue was \$1,500,000 or \$2,000,000 on the customs duty, and the remainder would be on the excise duty.

Right Hon. Mr. MEIGHEN: Perhaps. I do not know. It is a matter of proportion.

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

CANADA GRAIN BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 9, an Act to amend the Canada Grain Act (Domestic Grain).

He said: Honourable members, as we all know, the grain of our country—I have special reference to Western grain—is transported through a system of elevators as well as by direct shipment from the point of production to the point of destination or of export; and even where direct shipment is resorted to, the grain may go through elevators at the eastern ports. The whole administration of our grain trade, so far as Dominion supervision is concerned, is in the hands of the Minister of Trade and Commerce, but the supervision is delegated in the main to a Board of Grain Commissioners who have head offices at Winnipeg, and who are given specific powers and duties under the Grain Act. Among their duties is the regulation of the many charges made in connection with the handling of grain; for storage in elevators, weighing, dockages, and so on. Under the Act as it stands now it is the duty of the commissioners to fix each year the charges that the elevator companies may make for the various services rendered. Once the commissioners have set the rates for any year there cannot be any revision until the following year, when, prior to the movement of grain, the commissioners sit again and determine what the charges shall be.

In accordance with that procedure the commissioners sat this year for the hearing of

Hon. Mr. MacARTHUR.

complaints, or any other evidence that might be given to enable them to decide what should be the proper scale of charges for the ensuing year. I understand that very little in the way of complaint was advanced to them, and that there was no request for an investigation or even for a general reduction in rates.

However, in view of the fact that the farmer is receiving this year a deplorably low return for his product—a return so low as to be unprecedented—and the accompanying fact that last year's scale of charges, which I understand was continued this year, seems to be rather high in proportion to what the farmer receives, it has been deemed wise to alter the Act to enable the Commission to vary its charges in mid season, if it so desires. It must be manifest, of course, that Parliament itself could not well sit in judgment in a matter of this kind and fix the charges; that is clearly the function of the Commission. The Minister and the Government felt that the commissioners should have power to re-investigate the subject, if they deemed it wise, and that possibly, if they did so, lower charges might ensue. I have no reason to think the present scale is high, except that, if my understanding is right, it is the same scale that applied when wheat was selling at \$1.50 a bushel. Wheat is now at less than fifty cents a bushel, and as the farmer's return is considerably lower in proportion, it would seem at first sight that the commissioners might well review the charges.

The Grain Commissioners, as I have said, were not presented with complaints, and therefore felt they ought to retain charges which apparently were satisfactory to all concerned. I do not know at whose instance this legislation is introduced; perhaps it is at their own; but it does seem to me that nothing should tie their hands this year if they desire to effect any reduction in rates.

Hon. Mr. CASGRAIN: Would any reductions apply to government elevators only, or to private elevators as well?

Right Hon. Mr. MEIGHEN: To all.

Hon. Mr. CASGRAIN: Private elevators have issued bonds. Can the commissioners reduce the interest on them too?

Right Hon. Mr. MEIGHEN: They can take the interest and the fixity of the interest into consideration.

Hon. Mr. DANDURAND: We have had the Grain Act before us often, and this Chamber has on more than one occasion given attention to the question of fixing rates. I do not remember the exact situation with

respect to the ownership of elevators at Fort William and Port Arthur, but I have a vague recollection that both the large railway companies and the pools have their own separate elevators. The charges fixed by the Grain Commissioners apply to all the companies, and the object of this Bill is simply to permit a variation in those charges in mid season.

Hon. Mr. FORKE: I am very sorry that this Bill was not brought down earlier in the season, because I imagine that a very large quantity of grain is now out of the farmers' hands and that the dealers will be the ones to receive the most benefit from legislation of this kind. I have no objection whatever to the Bill being given second reading now, but object simply to the delay in bringing the measure before us. If a farmer left grain in storage for twenty months, the value of it, at present prices, would almost be equalled by the storage charges, at one cent a month.

Right Hon. Mr. MEIGHEN: I was hoping that the honourable gentleman would give us some explanation of why the farmers' organizations, with which he has been so closely identified, did not appear before the Commission this year if they felt that the rates were high.

Hon. Mr. CASGRAIN: Because they own elevators.

Right Hon. Mr. MEIGHEN: That is a condition that we cannot put out of our sight. The organizations own a large number of elevators, and I suppose on that account they have interests on both sides of the ledger.

Hon. Mr. FORKE: I do not think that makes very much difference, because the organization in Manitoba has just been declared bankrupt.

Hon. Mr. LAIRD: That is the one in Manitoba, but not those in the other provinces.

Hon. Mr. FORKE: No, but they are pretty near to the same thing. It does not seem that the organizations would be greatly interested in the storage rates. I think the farmers thought they would not get a reduction. Probably this Bill was prepared at the instance of the Minister, who realized the seriousness of the situation.

Right Hon. Mr. MEIGHEN: I did not know the organization was financially bankrupt, though I thought it was politically bankrupt eleven years ago.

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

DUPLICATION IN RAILWAY SERVICES

On the motion to adjourn:

Right Hon. Mr. MEIGHEN: I desire to notify honourable members who were not at the Railway Committee meeting this morning that the Committee is meeting again immediately after the adjournment of the House.

Hon. Mr. CASGRAIN: On the 21st of April last I had the honour of moving in this Chamber:

That in the judgment of the Senate, in order to give immediate relief by eliminating some duplication in the service of the Canadian railways, pending action by the Commission presently investigating Canadian railways, a committee composed of an equal number of present officials from the Canadian Pacific Railway Company and the Canadian National Railways, be formed, and elect an umpire. Failing to agree in their choice, the Supreme Court of Canada shall appoint this umpire.

Is there any reason why that suggestion could not be carried out now? It would involve no expense, aside from the fees that might be paid to the umpire, for all the officials would be in receipt of salary. And as for an umpire, the Government could appoint the present Chairman of the Railway Board, who I understand is a very able man.

At the present time the country is losing a million dollars a week on the Canadian National. Therefore, why should something not be done pending action on the report of the Transportation Commission? We are spending a lot of time on discussion in the Railway Committee, and it reminds one of Nero fiddling while Rome was burning. So I say, why not act on this suggestion while our deliberations are going on? No harm could be done by that. In any event, we have no assurance that our deliberations will have a final result. The Royal Commission sat for ten months, and its report was made some weeks ago. In all this time the deficits have been mounting up at the rate of a million dollars a week, and still nothing is being done to remedy the situation.

I am not claiming any credit for the motion that I made last April. The idea was not mine, for I read it in the Montreal Gazette. The proposal is a simple one, and it seems to me that its adoption would immediately solve some of the problems arising from duplication of service. The committee members and others keep harping on the subject of passenger trains, but it is the freight traffic that brings in most of the revenue. Passenger receipts on the Canadian National represent only twenty per cent of the total gross receipts, and on the Canadian Pacific only

twenty-five per cent. Now, if a committee were formed, such as I suggested, the members of it would know all about the difference between freight and passenger traffic and what should be done about the service now being duplicated in so many places in Ontario and elsewhere. Our discussion on this Bill may last a long time, and if my suggestion were adopted in the interval we might save millions of dollars.

Right Hon. Mr. MEIGHEN: Would the honourable gentleman read the motion again?

Hon. Mr. CASGRAIN:

That in the judgment of the Senate, in order to give immediate relief by eliminating some duplication in the service of the Canadian railways, pending action by the Commission presently investigating the Canadian railways—the Commission has made its report, but action is still pending.

—a committee composed of an equal number of present officials from the Canadian Pacific and the Canadian National Railways, be formed, and elect an umpire. Failing to agree in their choice, the Supreme Court of Canada shall appoint this umpire.

If, say, five Canadian National and five Canadian Pacific officials were appointed to a committee, they could agree upon an umpire who would be a much better choice than any lawyer could be, for their nominee would have a wide knowledge of railway affairs. The chairman of the proposed new board of trustees may have great legal ability, but not know much about the railway business. Why can we not have a committee of railway officials appointed now, so that they might appoint an umpire and start us on the way to a reduction in the deficit of a million dollars a week?

Right Hon. Mr. MEIGHEN: The honourable gentleman will observe that his motion was merely a recommendation to the two railway companies to do certain things. Of course the motion came to their attention, but apparently they did not follow the suggestion.

Hon. Mr. CASGRAIN: The motion did not pass the Senate.

Right Hon. Mr. MEIGHEN: The honourable gentleman's motion would, if proceeded with, require a Bill which would be subject to as much delay as the present measure. The honourable gentleman has apparently suffered from what I myself have often suffered from, namely, failure on the part of others to value one's thoughts. It is just another case of wisdom being blindly passed by—of flowers that blush unseen.

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

Hon. Mr. CASGRAIN.

THE SENATE

Thursday, November 10, 1932.

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

Prayers and routine proceedings.

FREIGHT RATES ON GRAIN INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. What are the freight rates on grain from Midland to Saint John, Halifax, Portland, Boston, New York, respectively?

2. What are the freight rates on grain from Port Colborne to Saint John, Halifax, Portland, Boston and New York, respectively?

Right Hon. Mr. MEIGHEN: The answer to the questions is as follows:—

Freight rates on grain, carloads, "ex-lake" from both Midland and Port Colborne, in effect November 4, 1932, in cents per hundred pounds to Saint John, Halifax, Portland, Boston and New York were:

Commodity—	To Saint John, Halifax, Portland and Boston
Barley..	17.08c.
Buckwheat..	17.08c.
Corn..	14.79c.
Flaxseed..	21.79c.
Oats..	16.63c.
Rye..	14.79c.
Wheat..	15.17c.

From Midland to New York the rate is 22 cents on all grain, and from Port Colborne to New York 18½ cents.

THE LATE SENATOR ANDREW HAYDON

TRIBUTES TO HIS MEMORY

Right Hon. ARTHUR MEIGHEN: Honourable members, as undoubtedly all are already painfully aware, we are called upon in the middle of the session to lament the death of one of our number. The Honourable Andrew Haydon, member for Lanark, passed away this morning.

Senator Haydon, because of very severe disability, accompanied unfortunately by very great suffering, had been unable to take his place among us for several months, and could attend but irregularly for a number of years. His friends in the House watched his gallant fight against an insidious and powerful foe, and in deep sympathy and with the kindest feelings they have now regretfully witnessed his defeat.

The senator was, as it is the happy lot of most of us to be, a son of Canada. Born of parents of the class that form the most stable citizenship of our country, he passed his early years in the midst of a prosperous

agricultural community not far from the city of Ottawa. His education followed the same lines as that of the more fortunate youth of Canada who are able to avail themselves of our scholastic institutions. Having taken a course at Queen's, he was a double medalist. He was one of the most distinguished graduates of his university.

His activities were mainly in the law, and as well—in fact much more assiduously than most of us—he devoted himself to that branch of public affairs commonly known as politics. With the party to which he became allied on reaching years of maturity he identified himself whole-heartedly and with exceeding vigour, until he rose to be one of its most trusted councillors. Those who were closely associated with him in that respect will be able to speak of his capacity and fidelity. No one could be a member of this House, even for the short time that it has been my good fortune to be here, without being impressed with the fact that very few members had endeared themselves to their fellow members and their intimate associates so much as had Senator Haydon. Undoubtedly his personal relationships were of the tenderest and most enviable kind. He lived true to the dictum of the Australian philosopher:

There are two things that stand like stone:
Kindness in another's trouble, courage in one's own.

On behalf of the members on this side of the House, who were opposed to him in public life, I desire to express our sense of sincere regret at his passing, and our deepest sympathy with his widow and son.

Hon. **RAOUL DANDURAND**: Honourable senators, it was not my privilege to be associated intimately with our departed friend in his career at the Bar and in politics until he entered this Chamber. I learned to appreciate his virile qualities during the seven or eight years that we were thrown together in debate. He had a clear mind, broad culture and a felicity of expression that we all admired. To express my view of his fine qualities, I can perhaps do no better than say that I admired his strong convictions, his rugged character, his devotion, his sincerity and loyalty, and his modesty bordering on timidity.

He rendered valuable service to Queen's University and was one of its trustees. We know in what esteem he was held in the community wherein he dwelt for nearly thirty years. I cannot allow this occasion to pass without putting on record an event which shows how highly he was regarded. On the sixty-fifth birthday of our departed

friend a special tribute was paid to him by a large group of his friends. He was presented with a loving-cup of silver and a set of the publications of the Champlain Society, including many original records of the principal early Canadian travellers and explorers. A deputation consisting of the Venerable Archdeacon Snowdon, Sir Percy Sherwood, Chancellor Francis H. Gisborne, and Dr. O. D. Skelton made the presentation to Senator Haydon at his house, on behalf of the group. The gifts were accompanied by an illuminated address in the following words:

To Hon. Andrew Haydon, M.A., LL.B.:

On the occasion of your sixty-fifth birthday, a few of your friends wish to be permitted to express to you the warm regard and affection which your unvarying kindness and generous self-spending have inspired, and the deep respect and admiration which they hold for your outstanding ability, your fine integrity, and your unwearied services to church and state. They trust that you will find in these publications of the Champlain Society a token of the interest you have always taken in the history of the pioneer days of our country, and in this loving-cup a symbol of the devotion of the countless friends who hope soon to see you fully restored to health.

On the day of the presentation I perused the papers representing public opinion on both sides of politics and I found them unanimous in striking a sympathetic note as to the value of the services rendered to his community by the late Senator Haydon. They recognized his sterling qualities of citizenship. He served his community well, and I am only echoing the opinions of those who knew him best in saying that he was one of the finest characters that the Dominion of Canada has produced.

Right Hon. **GEORGE P. GRAHAM**: Honourable members, may I add a word to the dignified and worthy tributes paid to the late Andrew Haydon by the leaders on both sides of the House? Someone has said that the man or woman who has one real friend is rich. I think that if honourable members analyse that statement carefully, putting the emphasis on the word "real," they will come to the conclusion that the statement is correct. To me Andrew Haydon was always a friend. We had our differences on occasion, but they were friendly differences and did not at all mar our deep friendship. I knew Senator Haydon when he was a very young man, and from his early days—days not so early for me—through evil as well as good report, Andrew was always a true friend. To me his loss is a heavy blow. Although he was a very quiet man, a man of few words, I knew that I could always look to him when I needed a friend.

In addition to being a great friend and a splendid type of citizen, Andrew Haydon was a man of unique literary achievements. He published more than one book. I have in my library copies of them presented to me by the late senator. He was devoted, if I may say so, not so much to Ottawa as to old Lanark. His reminiscences concerning that very richly endowed part of Ontario were always most interesting to listen to. It was when discussing that subject in conversation that Andrew Haydon could talk more freely than at any other time.

I often wonder why—perhaps this is moralizing too much—I often wonder why men of advanced age, like myself and others, are permitted to cling to life, with its duties and struggles, while young stalwarts like Andrew Haydon are taken away. He was a man whose every step had been upward, and who a few years ago seemed to have before him many years of usefulness, not only as a public man, but as a devoted citizen of this Canada which he so much admired. I might say that Andrew Haydon never requested to be made a senator. This I know. The Prime Minister selected him without any solicitation on his part, and he must have been very much surprised at the news of his appointment.

In reference to the statement read by the leader on this side of the House concerning the presentation to Senator Haydon, may I mention something that sheds a little further light and shows the high regard in which he was held by many people in this part of the country? I was one of those who received correspondence in reference to this presentation. When the day of the presentation arrived I received a letter from Venerable Archdeacon Snowdon stating that those in charge had received more money than was required for the purpose they had in mind; that people whom they had never approached had heard of the presentation and had sent their contributions as an evidence of their desire to assist in honouring so noble a man. I mention this only to show that Senator Haydon, in spite of his retiring disposition, had a far stronger grip than most men have on the hearts of friends.

I shall miss Andy Haydon as a warm friend to whom I could always go when I wished to discuss matters of any nature whatsoever, and from whom I would always get advice that I greatly appreciated. Andrew Haydon will be missed in the city of Ottawa, in this House, in literary circles, and in his Church. As an almost lifelong friend, I heartily join with all honourable members in expressing sympathy with the family of the late senator.

Right Hon. Mr. GRAHAM

EXCISE BILL

THIRD READING

Bill 7, an Act to amend the Excise Act.—Right Hon. Mr. Meighen.

CANADA GRAIN BILL

THIRD READING

Bill 9, an Act to amend the Canada Grain Act (Domestic Grain).—Right Hon. Mr. Meighen.

CANADIAN NATIONAL—CANADIAN PACIFIC BILL

MEETING OF COMMITTEE

On the motion to adjourn:

Right Hon. Mr. MEIGHEN: I have been asked by several honourable members when the Railway Committee is to meet again, and I wish to state that it will meet this afternoon immediately after the adjournment of the House.

The Senate adjourned until Wednesday, November 16, at 8 p.m.

THE SENATE

Wednesday, November 16, 1932.

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

Prayers and routine proceedings.

TAX ON CIGARETTES

INQUIRY

Before the Orders of the Day:

Hon. J. P. B. CASGRAIN: Honourable senators, I have received a short letter that I suppose it is my duty to read. It is as follows:

(Translation)

Quebec, Nov. 11, 1932.

Hon. Senator J. P. B. Casgrain,
Ottawa, Ont.

Dear Sir,

We are enclosing herewith copy of a letter we are to-day writing to Hon. E. B. Ryckman, Minister of Customs, regarding the new tax on cigarettes.

Would you be kind enough to make an inquiry in the House on this subject, so that dealers may know what to rely upon? Otherwise there would be a considerable loss to those who have stock on hand.

Thanking you in advance for your kind attention to this matter, we are

Yours very truly,
Rioux & Pettigrew, Limited,
per M. J. Pettigrew

(Text) That is merely asking me to read a copy of the following letter, which was enclosed:

Quebec, Nov. 11, 1932.

Hon. E. B. Ryckman,
Minister of Customs,
Ottawa.

Dear Sir:

As the Government is now reducing the tax on cigarettes, will you be kind enough to let us know if the Government intends to remit to the tobacco manufacturers the difference of the tax already paid on the stocks of cigarettes the jobbers have actually on hand?

As you are aware, the cigarettes are already selling at the new reduced prices, and if the manufacturers cannot remit to jobbers the difference of price on the cigarettes they have in stock, it will be a considerable loss that the jobbers will not be able to sustain in the actual critical business situation.

If the Government does not remit the difference of the tax paid on stocks on hand, we would suggest that they put the new tax in force only on December 15th, so as to give the jobbers the necessary time to sell the stocks of cigarettes they have on hand.

Your kind attention to this matter will greatly oblige,

Yours very truly,

Rioux & Pettigrew Limited,
per M. J. Pettigrew.

I have been asked to read this letter and I have done so, but I must confess that I do not know much about the subject-matter.

THE PROBLEM OF UNEMPLOYMENT

QUESTION OF PRIVILEGE

Hon. JAMES MURDOCK: Honourable senators, under rule 42 of the Senate I produce a copy of the Toronto Daily Star for Monday, November 14, 1932, on the front page of which there is the following article:

Senator Murdock Warns of Trouble Ahead—
Unemployment Conference is Urged by
Railway Men

Montreal, Nov. 14.—A suggestion that an interprovincial conference with the Dominion Government be held without delay to find a solution to unemployment problems was made before the Royal Commission on Social Insurance to-day by the Canadian Railway Brotherhood, Quebec section, represented by C. Masse, president, and A. Labreche, secretary.

Senator James Murdock stated the situation was so grave that it behooved governments to unite immediately in their application, otherwise a time may come when the problems will be solved by others and by methods not relished by the general population.

I desire simply to state that that item, which purports to quote me, is absolutely misleading. In short, it is untrue.

HON. SENATORS O. TURGEON AND L. A. WILSON

RECOVERY FROM ILLNESS

Right Hon. G. P. GRAHAM: Honourable senators, from time to time it becomes our sad duty to pay tribute to the memory of some colleague who has passed from our midst. For the last few days I have been reflecting on the thought that possibly it would be well to take advantage of the opportunity we sometimes have of saying a few kind words to some of our number who have come back to us after long sieges of illness. With this thought in mind, I should like to offer my congratulations to my good friend from Gloucester (Hon. Mr. Turgeon), who is not in the House at the moment, but who returned to us a short time ago after having been ill for a long time. When he came back he told me that he felt as well as on the day he first met me. If that be so, he is well.

I would offer congratulations also to our old friend from Rigaud (Hon. Mr. Wilson), who has been ill for some years, but is back with us this evening, seemingly as full of life as ever.

I think we should extend our best wishes and handshakes to our good friends who return to us in circumstances like these, and not reserve all our kind words for the sad occasions.

Hon. LAWRENCE A. WILSON: Honourable senators, it is unnecessary for me to say that I am highly pleased at my right honourable friend's kind remarks. His greeting is almost sufficient compensation for the illness from which I have suffered for the last two years.

During my long and enforced absence from this Chamber I jotted down some figures concerning our national revenue, and with your permission I will read them, for I believe they may be useful. But before doing that, may I say that I have read every line of the Senate Debates of the last two sessions, and I have been amazed at the profundity and knowledge of my colleagues. I never before had read our Hansard in this way, and I found that the debates contained in it were very interesting indeed. Those who know me best know that I am sincere in what I say, and I wish it to be understood that I am sincere when I state it gave me great pleasure to realize that we have such outstanding men in this Chamber. There was one bill—if I remember aright, it was a railway bill—that came from the Commons and received no fewer than seventy-two amendments before it

was passed here. I concluded that if the Senate found so many amendments necessary, there must be something radically wrong elsewhere. Because the members in another place are amenable to their electorate they sometimes pass bills which they rely on the Senate to reject. They know very well that you honourable gentlemen are perfectly independent.

I wondered at the time why the Senate should be maligned by certain dumb-bells on the street. Many people imagine that those who enter the Senate must pass through a toll gate. Well, I refuse to believe that any honourable member ever paid one copper to occupy a seat in this Chamber. I think it behooves us to let such people know, once for all, that not a single member of this Chamber ever had to use influence, much less cash, to take his seat. I confidently believe that honourable members are far above such base conduct. I am not trying to justify my own position, but certain insinuations have been made by so-called friends of mine—and to-day real friends are almost as scarce as white crows. I want those "friends" to know that I did not seek nomination to the Senate. When the seat to which I was subsequently appointed became vacant through the death of my predecessor, I went to a certain gentleman—he now sits in this House—and told him that inasmuch as I represented a riding in the Commons and did not wish to continue in the political world, I was willing to efface myself in his favour. He thanked me. However, another honourable senator died and the gentleman I have just mentioned was appointed to the vacancy.

I may add that two weeks before he passed away I went to Sir Lomer Gouin and said to him, "As you have retired from the Commons, would you not like to return to Ottawa as a member of the Senate, where a man of your ripe parliamentary experience and proven administrative ability could be of great service to the country?" Beyond thanking me, he said very little. I found later that his nomination might not have been approved in some quarters.

But let me go further. I was disgusted by the harangues from both sides of the House, and by the personalities that were indulged in by certain members, and I resigned.

Hon. Mr. CALDER: Mr. Speaker, I rise to a point of order.

The Hon. the SPEAKER: Order.

Hon. Mr. CALDER: Honourable members, I would be the last to interrupt my honourable friend, but there is no motion before the House at all, and when he has finished his speech none of us will have the right of reply.

Hon. L. A. WILSON.

Hon. Mr. CASGRAIN: We can move the adjournment of the House.

Hon. Mr. CALDER: Yes; but we have no right to reply to the many interesting statements the honourable member is making. With respect to the financial condition of the country, he will have many opportunities during the session to say whatever he pleases, but at the present time, as I understand the rules—Mr. Speaker will correct me if I am wrong—he has no right to make an extended statement of any kind. If he wishes to raise a question of privilege he may do so, but at this stage of our proceedings, I submit, the honourable gentleman is out of order in making an extended speech on a subject that is not formally before us.

Hon. Mr. WILSON: Honourable members, as I may not be able to attend any further sittings for some time, I should like to present to the House and the country a few figures which I have prepared. I will be very brief.

The Hon. the SPEAKER: I regret I cannot permit the honourable member to proceed except by unanimous consent.

Some Hon. SENATORS: Go on, go on.

Hon. Mr. CALDER: Mr. Speaker, if the honourable gentleman will confine himself to a statement of figures to which, I understand, he has given considerable study, as we have nothing else before us, probably we shall be very glad to hear him.

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Mr. WILSON: Honourable members are aware that recently we have had to borrow \$60,000,000 in New York, and that a loan for \$80,000,000 has just been floated. I am pleased to know that that loan has been fully subscribed. I venture to say that these borrowings would not have been necessary if the Department of National Revenue had been empowered to make the following rules:

With regard to common and preferred stock, all companies at present make reports to the Government annually, giving the names of shareholders and the amounts paid to them. But bankers and brokers hold in their names some of those stocks for clients. They should make a similar report showing the amounts paid to their clients. In many cases stock is held by nominees. We will say John Smuts holds stock, in trust or otherwise, for the real owner; therefore John Smuts should be compelled to make a return to the Government stating for whom he is holding the stock.

As to bearer bonds, when the coupons are deposited in the bank, the bank should deduct income tax at, say, the minimum rate and

send to the Government a report of the amounts so collected, accompanied by the names of those cashing the coupons. Then the Government could compare these lists with the income tax returns.

Should coupons come from foreign countries, the Government would refuse payment unless accompanied by a declaration. As an example, Canadian holders of Quebec Government bonds payable in sterling have to sign a declaration that they are not subject to British income tax; otherwise the normal British tax would be deducted.

An issue of \$100,000,000 at 5 per cent means that the Government of Canada pays the holders of the bonds \$5,000,000 annually. How much of this is reported in income tax returns? How does the Government check the coupons cashed on all outstanding bonds? I venture to say millions are lost annually. The gross funded debt of Canada is \$2,926,265,698, and the interest paid by the Government in 1931 amounted to \$122,229,457. How do you expect the Government to get the money if some of the people are evading the income tax?

These tax dodgers may be described as human icebergs, or bloodless sharks. Go after them like a panther. Open their strong boxes and force them to pay their dues to the nation.

Moreover, there is a provincial succession duty law under which executors must make a true report to the local government. The Federal Government could see to it that nothing has escaped it during the lifetime of the will-maker.

Hon. Mr. TANNER: Honourable members, I should like to move the adjournment of the debate.

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

THE SENATE

Thursday, November 17, 1932.

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

Prayers and routine proceedings.

CHICAGO WATER DIVERSION INQUIRY

Hon. Mr. CASGRAIN inquired of the Government:

What measure, if any, has the Government taken since last session to stop the illegal diversion of water at Chicago?

Right Hon. Mr. MEIGHEN: The diversion of the water of the Great Lakes system through the Chicago Drainage Canal has been the subject-matter of litigation before the Supreme Court of the United States of America. The question is at present sub judice, as four of the lake States are seeking a ruling from the Supreme Court of the United States regarding the progress of the construction of sewage disposal works.

So far as action by the Government is concerned, it should be pointed out that a treaty was signed at Washington on the 18th July, 1932, by plenipotentiaries named by His Majesty the King in respect of Canada and by the President of the United States of America, and that article viii of that treaty contains measures dealing with the diversion of water at Chicago.

SOCIAL AND HUMANITARIAN WORK OF LEAGUE OF NATIONS

PROPOSED RESOLUTION

Hon. CAIRINE WILSON moved the following resolution:

Resolved, that in the opinion of the Senate there should be no curtailment or interruption in the continuity of the work of the section of the League of Nations dealing with social and humanitarian questions and particularly with that section which relates to the opium traffic, the traffic in women and children, and child welfare.

She said: Honourable senators, the request that I interest myself in the subject-matter of this resolution came in the first place from the head office secretary of a very large international organization of women at Geneva. I am afraid, though, that in the presence of a former President of the Assembly of the League, two former Ministers of Health, and a large number of medical men, it will be difficult for me to give very much information in connection with it.

As all honourable members know, the League of Nations is a union of states working together in the common cause of international peace and progress in many lines of endeavour. It seeks not merely to prevent wars which are looming on the horizon, but to remove the causes of wars through the friendly co-operation of the peoples of all countries. We have learned that the weal or woe of one state affects the weal or woe of all mankind. Untold misery is caused by the spread of infectious diseases, which have no respect for territorial borders, and by the smuggling of opium and other dangerous drugs from one country to another.

At its second meeting, in February, 1920, the Council of the League decided to summon

an international conference of health experts to draw up the constitution of the Health Organization authorized in a paragraph of the Covenant, which declares that the members of the League shall "take steps in matters of international concern for the prevention and control of disease." When the conference met, in April of that year, it was faced with the menace of the typhus and relapsing fever epidemics which had originated in Russia and spread into the eastern marshes of Poland. To meet this scourge it was recommended that a temporary Epidemic Commission be appointed to work with the health administrations of Europe, and a cordon was established which proved a salvation to neighbouring countries.

Early in 1923, thanks to the International Health Board of the Rockefeller Foundation, it was possible to extend greatly the epidemiological intelligence work of the League. The Foundation agreed to contribute \$32,840 a year for five years towards the carrying on of this work, and a branch office was opened in Singapore for the study at close range of the plague and cholera centres of the world. At this office telegraphic reports are received each week from the sixty principal ports of Asia, Australia and the east coast of Africa, concerning the number of cases of plague, cholera and smallpox, and the deaths from them. Through the kindness of the French Government this information, which is of tremendous importance to all shipping countries, is broadcast immediately. Full reports are made directly to Geneva as well, and for this service we have again to thank the Rockefeller Foundation.

Owing to the progress achieved in immunization against infection by microbes, the use of sera is becoming one of the most important weapons at the service of science for combating infectious diseases. In order to make this weapon fully effective it is necessary to get international agreement on methods for measuring the antitoxic action of different sera. Some way of standardizing units and methods employed had long been considered desirable, but it was exceedingly difficult to obtain sufficient co-operation from different laboratories. After the War the problem seemed to be intensified, but it was finally solved through the agency of the League Health Organization.

Every one will admit that the traffic in women and children is a problem to the solution of which the new machinery provided by the League of Nations may be properly applied. Against so widely ramified

an evil the isolated efforts, however strenuous, of individual states cannot be entirely effective.

Since its foundation the League has been actively engaged in mitigating human wretchedness caused by the War. On one point, that of returning prisoners of war to their homes, it has attained complete success.

The League has also engaged in the rescue of the deported women and children in the Near East. Owing to the protracted military operations in that region, many women were taken from their homes and removed by their captors to the interior of Asia Minor. In April, 1921, the Council of the League appointed a commission, which worked with great devotion, under most trying conditions, and assisted in returning to their own homes large numbers of women and children. Houses of refuge have been maintained at Constantinople and Aleppo, and in some cases women and children are kept there for months while necessary arrangements are being made. At Aleppo those sheltered are taught useful trades during their period of residence. Turkish and Christian women alike have praised the work of the League commission, which has brought hope into their lives.

Although drug addiction has been known in Canada only during the past fifty years, opium smoking existed in Java in the eighteenth century, and the trade was extended to Formosa and China by Portuguese traders. By 1906 the production of opium in China itself was estimated at 47,000,000 pounds, while importations totalled 7,000,000 pounds. Even in 1729 the Chinese Government issued an edict prohibiting the smoking of opium, but this and subsequent edicts met with little success.

Canada is principally interested in the control of illicit importations of opium from the Orient, and the smoking is not confined to Orientals. A large proportion of the opium traffickers handle also the white man's drugs—morphine, heroin, and cocaine.

Early in this present century public opinion began to concentrate upon the necessity for world control of the illicit opium traffic. With this object in view, opium conferences were held at Shanghai in 1909 and at The Hague in 1911 and 1912. At these conferences an agreement was reached to control the production and distribution of raw opium, prepared opium and medicinal opium, morphine, heroin and cocaine. With the exception of Germany and Austria, all forty-six countries represented consented to ratify the agreement, but war broke out and the ratification was left in abeyance.

At the conclusion of the War a number of governments took vigorous steps to secure more effective progress towards the suppression of the traffic. The most important step was the insertion of a provision in the Treaty of Versailles automatically bringing into force for each of its signatories the provisions of the Opium Conference of 1912.

Canada, a signatory to the Peace Treaty, amended her existing laws, and in 1920 a more far-reaching Narcotic Act was enacted. In 1919 the Federal Department of Health had been created, and to it was assigned the administration of this legislation. A centralized control of legitimate narcotic transactions was inaugurated and all were carefully scrutinized and tabulated.

In 1925 Canada took part in the International Conference at Geneva under the auspices of the League of Nations, from which emerged a Narcotic Convention, finally ratified in 1928 by a sufficient number of countries to bring it into international effect. Since then the improvement has been marked.

By 1930 it was obvious that further steps were urgently necessary and a Narcotic Conference was held at Geneva in 1931, in an endeavour to strike at the source of supply by limiting and controlling the amount of narcotics manufactured in the world. Fifty-seven nations, including Canada, attended this conference. A convention was eventually signed which undoubtedly achieved the primary objectives, and it has received almost unanimous approval. Canada and the United States have already ratified this convention, and it is earnestly hoped that a sufficient number of countries will follow to bring it into international effect.

To a woman—Lady Simon—belongs the credit for a courageous effort to arouse the nations of the world to the appalling amount of slavery existing to-day. In this year 1932 we are apt to regard slavery as an institution of the past, but there are still 4,000,000 victims, and more probably 6,000,000. Must these unfortunates look to the League of Nations in vain?

After all, the thirteen years of the League's existence represent a very short period in the history of the world, and we cannot change the customs and habits of thousands of years in a few decades. The League represents a step towards the ideal, and with our support should go forward. I well remember the words of a medical friend of mine. Like most fond mothers, I thought my first baby the most wonderful that had ever been brought into the world, but the doctor, looking down pityingly, said, "Oh, after all, the

higher the species the slower the development."

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

MONTREAL HARBOUR COMMISSIONERS' BILL

FIRST READING

A message was received from the House of Commons with Bill 10, an Act to amend the Montreal Harbour Commissioners Act, 1894.

The Bill was read the first time.

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

Right Hon. Mr. MEIGHEN: To-morrow.

The Hon. the SPEAKER: It is moved by Right Hon. Mr. Meighen that the second reading of this Bill be placed on the Orders of the Day for to-morrow.

Hon. Mr. DANDURAND: If my right honourable friend has no special reason for hastening the passage of the Bill, it might perhaps be considered at our first sitting next week. The Bill has not been distributed.

Right Hon. Mr. MEIGHEN: If to-morrow any honourable member asks that further consideration of this Bill be postponed until next week, I shall not object. The purpose of the Bill is merely to make clearer the powers of the Montreal Harbour Commissioners in respect of the regulation of plant, machinery and appliances for loading or unloading vessels. It gives also the power to deny vessels the facilities of the harbour should such exclusion be deemed wise. Because of its generality the present power of the Commissioners does not give this authority. Nor would it, I fancy, include the power of levy, which now is made specific by the amendment.

Hon. Mr. CASGRAIN: The main purpose of the Bill is to allow the Commissioners to levy tolls?

Right Hon. Mr. MEIGHEN: Yes.

The motion was agreed to.

CANADIAN NATIONAL—CANADIAN PACIFIC BILL

MEETING OF SUBCOMMITTEE

On the motion to adjourn:

Right Hon. Mr. MEIGHEN: On account of the Railway Committee having felt it necessary to have the important railway legislation redrafted, the committee itself will

not meet this afternoon, but a subcommittee is to meet immediately after the adjournment of the Senate, for the purpose of considering the redrafting. I rise merely to say that should any members of the committee or other honourable members desire to be present while the subcommittee is reviewing the re-drafted Bill, there will be no objection. The work is more or less clerical.

Hon. Mr. DANDURAND: I saw in the press lately a statement that consideration of this legislation would be deferred until next spring. I suppose the idea sought to be conveyed is that the Bill will not be examined and disposed of until after the long adjournment. At the time, possibly, the impression was abroad that Parliament would soon adjourn. I would suggest that if we are to sit next week and perhaps the following week, the Senate might well grapple with this difficult legislation before we separate. I dislike the idea that while considering this very important measure, framed for the purpose of curing an evil represented by a daily loss of \$150,000, the Senate is somewhat remiss in its duty and desirous of adjourning. I wonder if before we separate we could not reach a conclusion on the Bill.

Right Hon. Mr. MEIGHEN: The remarks of the honourable member are entirely correct as to the disposition of the committee with respect to the Bill. The committee is not disposed to hurry matters unduly, but certainly it has not dallied with the legislation itself. There have been many and prolonged meetings, and they are continuing. I should be hopeful, and I think other members of the committee would share the hope, that if we should meet next week it might be possible for the committee to report.

Right Hon. Mr. GRAHAM: Honourable members, there is one unavoidable difficulty in the way. Certain interests wish to appear before the committee. Last week we came to the conclusion that we should not be able to get the Bill out of committee, on account of the necessity of having it redrafted, and also because of the interests to which I have referred not being ready to proceed. They went away with the understanding that we would hear them after the recess. That is one of the difficulties in the way of disposing of the Bill before we adjourn.

Right Hon. Mr. MEIGHEN: That is quite correct. Their understanding was based on the supposition that we should be adjourning at the end of this week. The committee might possibly see fit to take into considera-

Right Hon. Mr. MEIGHEN.

tion the fact that we shall not be, and might communicate with those interests again. The committee will meet to-morrow morning at eleven o'clock.

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

THE SENATE

Friday, November 18, 1932.

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

Prayers and routine proceedings.

DUPLICATION IN RAILWAY SERVICES NOTICE OF MOTION

On the notice of motion:

By Hon. Mr. Casgrain:

That he will move:—

That, pending the passing of the present Railway Bill A, in the opinion of the Senate a certain number of officials of the Canadian Pacific Railway Company and an equal number of officials of the Canadian National Railway should meet to try to co-operate in eliminating some of the duplication of railway service with a view to economy in this service, and that in the cases when they cannot agree, the Chairman of the Railway Board be called in to act as umpire and thus give effect to the proposed economies.

Hon. Mr. CASGRAIN: I have been advised that it would be much better for me to make this motion in the committee than in the House. That is satisfactory to me.

The Hon. the SPEAKER: Shall the notice be dropped?

Hon. Mr. CASGRAIN: No, it should stand.

PUBLIC BUILDINGS AND GROUNDS

REPORT OF COMMITTEE ADOPTED

Hon. CAIRINE WILSON moved concurrence in the second report of the Standing Committee on Public Buildings and Grounds.

Right Hon. Mr. MEIGHEN: Honourable members, the committee has recommended:

That the Federal District Commission be requested to draw up a comprehensive plan for the improvement of the grounds in Ottawa surrounding the Parliament Buildings and the Victoria Museum, and also in the area known as Major Hill Park, and that such plan be submitted to this Committee for consideration.

I call attention to the recommendation only to point to the obvious conclusion that would be drawn from its adoption, that the layout and general plan of the grounds around this building, the Museum building and Major Hill Park, are not what we should like them to be.

I make no pretence of having a particularly artistic eye. I have never been shocked at all by the general contour and layout of the grounds in any of those three places. They are satisfactory to me. If the House is of another view, there is no objection to the adoption of the report. The chairman of the Parks Board, I think, shares in general my own opinion of the grounds, but if it is the will of this Chamber that the subject should be reconsidered, on the supposition that there ought to be improvement, he will offer no objection.

Hon. Mr. DANDURAND: It would be interesting to hear from the chairman and some other members of the committee as to the end they have in view. I have not followed the work of the committee, and do not know what prompted it to make this report.

Hon. CAIRINE WILSON: Honourable senators, we discussed this question last May, at the time our last report on it was brought in, and I think it was the opinion of the Senate at that time that a recommendation similar to the one now made might be advisable. We did propose that a landscape architect be employed, but the right honourable leader of the House himself suggested what we considered was a better plan, that the responsibility of looking after the grounds should be transferred to the Federal District Commission, which is very much better equipped with men and machinery to do the necessary work. I feel confident that the grounds could be very much improved at a small expense.

Hon. J. S. McLENNAN: Honourable senators, I might supplement what the chairman of our committee has said, by stating that it was obvious to us that one improvement could be made by brightening the shrubbery under the revetment wall with a variety of spring flowers. The work done there hitherto has been more or less haphazard. The view the committee intended to convey in its report was that improvement might be made, however slowly, by proceeding with a well thought out plan, which would include the planting of spring flowers and of bushes bearing autumn and winter foliage and berries. I think particular care should be taken of the very beautiful pathway under the cliffs, known as Lovers' Walk. Unfortunately, many of the trees shading the walk are slowly decaying, and steps should be taken to arrest the decay. We are all acquainted with the excellent work done by the Federal District Commission on the way to Rockcliffe and along the Rideau Canal. This work compares remarkably well with any similar work that

I have seen on the continent. I do not think it would be the intention of the committee to ask for an unduly large expenditure at the present time. What is needed is a plan which in the long run will produce the best results in beautifying these grounds and those other properties of the Government.

Hon. Mr. TANNER: Who looks after these grounds now?

Hon. CAIRINE WILSON: I am afraid I cannot say exactly. There is a superintendent, and he has a few assistants. The work is under the direction of the Public Works Department. Formerly the department had supervision of the grounds around Rideau Hall, but this year it has been taken over by the Federal District Commission. I think these three properties are the only ones now under the direct control of the Department of Public Works.

The motion was agreed to.

MONTREAL HARBOUR COMMISSIONERS' BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 10, an Act to amend the Montreal Harbour Commissioners' Act, 1894.

Hon. Mr. DANDURAND: Would the right honourable gentleman explain?

Right Hon. Mr. MEIGHEN: As I explained yesterday, the Harbour Commissioners now have jurisdiction in respect of machinery and appliances, but the wording of the Act is very general. It has been held by legal opinion, though not by the courts, that the Commissioners have not the power to deny vessels admission to the harbour, nor have they power to levy tolls in respect of the use of their machinery and appliances. The Bill clearly gives them authority in both spheres. It is manifest to me that by the original Act it was intended that they should have these powers.

Hon. Mr. DANDURAND: I understand that some steamers equipped with loading appliances have refused to pay the harbour tolls because they had not used the port appliances. The purpose of this Bill, I suppose, is to cover such cases.

Hon. Mr. CASGRAIN: The appliances are there for the steamers to use. We are charging tolls at Three Rivers, whether steamers use the harbour appliances or not.

Right Hon. Mr. MEIGHEN: That is right.

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

THIRD READING

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

Right Hon. Mr. MEIGHEN: With the consent of the House, I move that this Bill be now read the third time.

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

SOCIAL AND HUMANITARIAN WORK
OF LEAGUE OF NATIONS

PROPOSED RESOLUTION—DEBATE ADJOURNED

On the Order:

Resuming the adjourned debate on the motion of Hon. Senator Wilson (Rockcliffe) with regard to the work of the Section of the League of Nations dealing with Social and Humanitarian questions.

Hon. Mr. KING: Stands.

Right Hon. Mr. MEIGHEN: Honourable members, I do not think the word "stands" applies. The Order for the resumption of the adjourned debate is called. The honourable senator has the floor. If he chooses to move the further adjournment of the debate, it will be for the House to decide whether it shall be adjourned or not.

Hon. Mr. DANDURAND: He can move that the Order be discharged and be placed on the Orders of the Day for to-morrow.

Hon. Mr. KING: I am prepared to proceed with my remarks, which will be brief, but I understand it is the desire of the Railway Committee to resume its work as early as possible, and in order to meet its wishes I would ask that the debate be adjourned, if I may proceed at the next sitting.

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

ADJOURNMENT

Right Hon. Mr. MEIGHEN: I beg to move:

That when the House adjourns it stand adjourned until Wednesday next at eight o'clock in the evening.

Hon. Mr. McMEANS: Can the right honourable gentleman give the House any information as to when he expects the close of the first part of the session?

Right Hon. Mr. MEIGHEN: I thank my honourable friend for the compliment. I have had no access at all to the mind or the intentions of the Leader of the Opposition in the other House.

Hon. Mr. McMEANS: Cannot the right honourable gentleman give us any idea?

Right Hon. Mr. MEIGHEN.

Right Hon. Mr. MEIGHEN: None whatever.

Hon. Mr. DANDURAND: I may say that that is not the whole gospel. When the Commons see fit to adjourn, the Senate's work will begin.

Right Hon. Mr. MEIGHEN: Hear, hear.

Hon. Mr. McMEANS: Is it to be this year?

The motion was agreed to.

The Senate adjourned until Wednesday, November 23, at 8 p.m.

THE SENATE

Wednesday, November 23, 1932.

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

Prayers and routine proceedings.

CANADIAN NORTHERN RAILWAY—
PROVINCIAL GUARANTEES

INQUIRY

On the notice:

By Hon. Mr. Casgrain:

That he will inquire of the Government:

1. At the time of the Acquisition Bill of the Canadian Northern Railway were there bonds guaranteed by the provincial governments?
2. Were there any bonds guaranteed by the Government of British Columbia?
3. If so, what was the amount of the bonds thus guaranteed by that province?
4. What was the mileage of railways thus guaranteed?
5. What was the amount in dollars thus guaranteed per mile?
6. What was the rate of interest on these bonds?
7. Were there any of the coupons paid by this province? If so, how many and for what amount?
8. Did the Dominion Government relieve the provinces of their guaranteed obligations?
9. The same questions for Alberta.
10. The same questions for Saskatchewan.
11. The same questions for Manitoba.
12. The same questions for Ontario.
13. The same questions for Nova Scotia.
14. The same questions for Quebec.
15. The same questions for New Brunswick.
16. The same questions for Prince Edward Island.
17. That on receiving these answers, he will call the attention of the Senate to the inequalities of these guarantees, if any.

Hon. Mr. CALDER: Honourable members, I have a reply to the questions, but I suggest that it stand until tomorrow, when the leader of the Government will be here. It is somewhat lengthy, and I think he should have an opportunity of looking it over.

Hon. Mr. CASGRAIN: I suppose I may see it?

Hon. Mr. CALDER: Oh, yes; but he should have an opportunity of looking over the answers before they are given.

The notice stands.

DUPLICATION IN RAILWAY SERVICES

MOTION

Hon. Mr. CASGRAIN moved:

That, pending the passing of the present railway bill A, in the opinion of the Senate a certain number of officials of the Canadian Pacific Railway Company and an equal number of officials of the Canadian National Railways should meet to try to co-operate in eliminating some of the duplication of railway service, with a view to economy in this service, and that in the cases where they cannot agree, the Chairman of the Railway Board be called in to act as umpire and thus give effect to the proposed economies.

He said: Honourable members, the other day, in deference to the right honourable the leader of the House (Right Hon. Mr. Meighen), I allowed this motion to stand, because I understood that he and the other members of the House were desirous that the Railway Committee should meet without delay. It was then suggested to me that I should present the motion to the committee, but when I brought it before the committee I was informed that it was already before the Senate and would have to be dealt with by the Senate.

The motion has been on the Order Paper for some days. I think it speaks for itself. It would be effective only until the Railway Bill became law. It has been suggested to me that I should add after the words "Chairman of the Railway Board" the words "or the Chief Justice of the Exchequer Court." It is quite immaterial to me whether the addition is made or not, but it has been said that it would be better to name two umpires in case one of them might be absent. There would be recourse to the umpire only if the railways agreed; and if they could agree about the umpire, surely they could agree about the subject-matter under discussion.

The purpose of this motion is to accelerate, if possible, or to anticipate, the good provisions of Bill A. An opinion of the Senate formally expressed carries almost the force of law. Honourable members are all familiar with the passes or cards of identification issued to members of both Houses of Parliament. The issuance of those passes was brought about merely by an expression of opinion of the Senate. I introduced a Bill to provide for the issuance of those passes, and the Bill

was read the first and second times, and discussed in Committee of the Whole, but before it reached the third reading stage the railway authorities themselves, in collaboration with the Clerk of the Senate, prepared the cards, which have been issued since, to this very day. They said they would rather take this action voluntarily than by reason of the Bill. The explanation they gave was good, and I appreciated it: they feared that if the Bill went to the Commons more privileges would be desired and might be granted. When it was pointed out that the Canadian Pacific and the Grand Trunk, the only two important railways of the time, had accepted the idea and that cards had already been distributed, I agreed to the withdrawal of the Bill. Although no Bill was passed, the opinion of the Senate as expressed in the measure given second reading was incorporated in the consolidated Railway Act as it appeared in the Revised Statutes. If this present motion were passed, it too would be but an opinion of the Senate, but it would provide an incentive to action. I have been told that it would be a good thing that the Senate should pass the motion, because the railway companies, and even the Chairman of the Railway Board, would be influenced by it. Of course, there would be nothing compulsory about it, as it would not be a law. I could speak upon the matter for a long time, if the House so desired, but I think it is not necessary to say more at present.

I beg to move the motion, seconded by the honourable gentleman from Shawinigan (Hon. Mr. Paradis).

Hon. J. A. CALDER: Honourable members, I suppose the honourable gentleman does not expect us to reach a decision on his motion to-night. The leader of the House (Right Hon. Mr. Meighen) is not present, but will be here to-morrow, and I presume he would like to have an opportunity to speak on the question.

Hon. Mr. CASGRAIN: It will be quite satisfactory to have it stand until to-morrow.

Hon. Mr. CALDER: Personally, I may say that I rather like the idea contained in the motion. It seems to me that it would be most unfortunate that Parliament should adjourn without making some provision for the economies that we all hope for and expect. We are told that at the present time the Canadian National Railway System is running behind to the extent of some \$5,000,000 a month. I accept that figure as correct. Now, it is expected that Parliament will shortly adjourn for two months. During this time, unless

some action is taken, the deficit will be increased by another \$10,000,000. Even if the Senate were to pass the present Railway Bill before adjournment, the measure would not likely be carried through the other House and given Royal Assent within, say, the next five months, a period which would mean an increase of approximately \$25,000,000 in the Canadian National deficit.

I understand that in the Railway Committee the other day the point was raised that as long as this motion was before the Senate we could not consider the principle of it in committee. My own suggestion would be—and I am stating this without having consulted anyone—that the motion should be withdrawn in the Senate, and that the Railway Committee should have the fullest opportunity to explore the idea contained in it, and to determine whether it is possible for Parliament, even in a comparatively short time, to take some action that would tend to give the relief for which we are all hoping. I do not know whether that suggestion will meet with my honourable friend's approval. However, there is no hurry this evening. I say again, I think that Parliament should not adjourn for a period of two months until every avenue has been explored that might lead to the doing of something which would immediately give at least partial effect to the economies proposed. I am sure honourable members see my point of view. I intended to raise the question in committee. I am not wedded to the proposition; I may fall in with the view of the majority of the committee on this point; but I think we should certainly lock horns and see if it is not possible to do something at this time.

Hon. Mr. DANDURAND: Further consideration of this matter, I understand, is to be postponed until the right honourable leader of the House takes his seat to-morrow. In the meantime perhaps we might turn over in our minds this query. Would it be better to deal with the question direct in the Senate, or refer it to-morrow to the Railway Committee, where on Friday morning it could be taken up in a practical way in the presence of the representatives of the two railways? We might reach a conclusion on this question next Friday. I was, I confess, a little surprised when last week we adjourned until this evening instead of Monday evening. I thought that in view of the likelihood of an early adjournment of Parliament we might have utilized the whole of this week to discuss this matter in the Railway Committee; but I did not demur to the suggestion of the right

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honourable leader of the House that we should meet this evening.

Hon. Mr. CALDER: Personally I am inclined to the view that it would be better to discuss the question in committee, because there we shall have greater freedom. Under our rules a member may speak to this motion only once; whereas in committee there is no such restriction. So if to-morrow it is thought advisable to refer the question to the committee, my honourable friend should, I think, arrange to have his motion withdrawn from the Order Paper.

Right Hon. Mr. GRAHAM: Honourable members, there might be some difficulty in discussing this motion in connection with the Bill referred to us. It might be objected that such discussion was out of order, and we might find it difficult to get it within the four corners of the rules of the House. But if the suggestion be accepted that to-morrow the Senate instruct the Railway Committee to consider the motion, then there can be no question as to discussion in the committee being in order.

Hon. Mr. BEIQUE: Honourable senators, I would suggest that the resolution be referred to the committee.

Hon. Mr. CALDER: If I might interject, no time will be lost by referring the resolution to the committee. Our committee meets in the morning, but we have to hear at least two important representations, one from Halifax and the other from the railway employees; so our time will be fully occupied. The House will meet at the usual time in the afternoon, and I presume we shall have a comparatively short sitting, after which the committee will have an opportunity of dealing with the resolution.

Hon. Mr. CASGRAIN: Honourable members, I agree with the honourable member for De Salaberry (Hon. Mr. Béique). Why insist on this technicality? Why not refer this expression of opinion to the Railway Committee?

Hon. Mr. BALLANTYNE: Honourable members, I understood the honourable senator from Saltcoats (Hon. Mr. Calder) to express the opinion that we should not discuss this matter in the absence of the right honourable leader of the House. The leader will be here to-morrow. It does seem to me that in all fairness to him no action should be taken in the meantime.

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

THE PROBLEM OF UNEMPLOYMENT QUESTION OF PRIVILEGE

Hon. J. MURDOCK: Honourable senators, on November 16, under rule 42 of the Senate, I called the attention of the House to an unwarranted and untruthful statement contained in the Toronto Daily Star of November 14. I stated that that item, purporting to quote me, was absolutely untrue.

Under the same rule I desire now to bring to the attention of the House an editorial which appeared in the Montreal Daily Herald of yesterday. It is headed "Senator Murdock Sees Red," and contains sixteen paragraphs, of which I shall read only the first two:

If his words are to be taken at their face value Senator Murdock is trying to put a dash of Red into the Red Chamber.

When he says that the unemployment problem must be settled in a way to satisfy the unemployed, or it will be settled in a way displeasing to the Government, he utters what sounds painfully like a veiled threat against constituted authority.

The gentleman who wrote that editorial is just the common or garden variety of prevaricator. I want to make that as plain as I can. Senator Murdock does not "see red" except when some tool of somebody holding the moneybags writes lies about an ordinary citizen.

UNION OF SOUTH AFRICA TRADE AGREEMENT BILL

FIRST READING

A message was received from the House of Commons with Bill 3, an Act respecting a certain Trade Agreement between the Dominion of Canada and the Union of South Africa.

The Bill was read the first time.

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

Hon. Mr. CALDER: Honourable members, in view of the probable early adjournment of Parliament, I would move that this measure, as also the other three that have come to us dealing with practically the same subject, be placed on the Order Paper for second reading to-morrow, on the understanding that if any member desires that the second reading be postponed, his desire shall be granted.

Hon. Mr. CASGRAIN: The rule would have to be suspended.

Hon. Mr. CALDER: By leave of the Senate the Bill will be placed on the Order Paper for second reading to-morrow, but on the understanding, as I suggest, that if any member desires postponement of the second reading of this or any one of the other three bills, his desire shall be granted.

The motion was agreed to.

IRISH FREE STATE TRADE AGREEMENT BILL

FIRST READING

A message was received from the House of Commons with Bill 4, an Act respecting a certain Trade Agreement between the Dominion of Canada and the Irish Free State.

The Bill was read the first time.

Hon. Mr. CALDER: With the leave of the House, I beg to move that this Bill be placed on the Order Paper for second reading to-morrow.

The motion was agreed to.

SOUTHERN RHODESIAN TRADE AGREEMENT BILL

FIRST READING

A message was received from the House of Commons with Bill 5, an Act respecting a certain Trade Agreement between Canada and Southern Rhodesia.

The Bill was read the first time.

Hon. Mr. CALDER: With the leave of the Senate, I beg to move that this Bill be placed on the Order Paper for second reading to-morrow.

The motion was agreed to.

UNITED KINGDOM TRADE AGREEMENT BILL

FIRST READING

A message was received from the House of Commons with Bill 8, an Act respecting a certain Trade Agreement between His Majesty's Government in Canada and His Majesty's Government in the United Kingdom.

The Bill was read the first time.

Hon. Mr. CALDER: I beg to move, with the leave of the Senate, that this Bill be placed on the Order Paper for second reading to-morrow.

Hon. Mr. DANDURAND: I would suggest that, this being the most important of the bills, it should stand at the head of the list to-morrow, because we may address our remarks more especially to this Bill.

Hon. Mr. CALDER: I quite agree.

The motion was agreed to.

CUSTOMS BILL

FIRST READING

Bill 6, an Act to amend the Customs Act.—
Right Hon. Mr. Meighen.

SOCIAL AND HUMANITARIAN WORK OF LEAGUE OF NATIONS

PROPOSED RESOLUTION—DEBATE CONTINUED

The Senate resumed from November 18 the adjourned debate on the motion of Hon. Senator Wilson (Rockcliffe) with regard to the work of the section of the League of Nations dealing with Social and Humanitarian Questions.

Hon. J. H. KING: Honourable senators, I desire to congratulate the honourable senator from Rockcliffe (Hon. Cairine Wilson) on bringing this motion to the attention of the House. I would ask that it be given favourable consideration. I think, even in this day of curtailment of budgets, none of us desire to see the activities of this section of the League of Nations in any way interfered with or curtailed.

We are learning from time to time that in the control of certain human activities it is necessary for us to go beyond local, provincial or Dominion regulation; in fact the control, if it is to be successful and effective, must be international. This is strikingly demonstrated by the convention entered into some years ago with respect to quarantine regulations to control plague, cholera, smallpox and typhus fever. By that convention each contracting nation agreed that in the event of any of these diseases becoming epidemic within its territory it would not only institute measures of local control, but would warn the other contracting parties of the outbreak, thus giving them ample opportunity to take preventive measures. The success of the quarantine regulations as worked out internationally is well known to all. Thanks to their enforcement, the dissemination of disease is so thoroughly controlled that to-day we are no longer subject to those epidemics, with their attendant suffering and loss of life.

With regard to the opium traffic, as the honourable senator from Rockcliffe (Hon. Cairine Wilson) advised this House a few days ago, the traffic originated in the East, but only within the last century has it attained such proportions on this continent as to necessitate the introduction of measures for its control. I can well remember that when I was a medical student only one case of morphine addiction was shown to the student body, and this was done for the purpose of impressing upon us the grave danger of the injudicious use of the drug in the practice of medicine. It was only in 1899 that the matter received international attention. In that year the world powers met at Shanghai and there formally adopted

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certain regulations for the control of opium. Little came of that convention until 1912, when on the initiative of the Government of the United States the matter was brought before the nations at The Hague. It was hoped that by the force of law based on international agreements the regulations as set out in the Shanghai convention of 1899 would be made effective. Some thirty-two nations signed the convention. Then the Great War broke out, and nothing further was done internationally until the signing of the Versailles Treaty, when the treaty nations became parties to the Hague convention.

I may be permitted to refer briefly to the conditions that prevailed in Canada after the War. The Dominion Department of Health was established in 1919. That department was charged with the responsibility of administering the Opium and Narcotic Drug Act. It was through the survey made and the information collected departmentally that we became aware of the extent of the narcotic traffic in Canada. To our surprise, the survey showed between eight and nine thousand of our people addicted to the narcotic habit. It also showed that our methods of control were not sufficient. Thereupon Parliament passed legislation known as the Opium and Narcotic Drug Act. The Act provides for control of the importation and sale of narcotics, and requires drug importing houses to secure a licence and to register and report to the Department of Health each and every sale of narcotic drugs to retail druggists throughout Canada, who dispense the drugs on prescription of certified physicians.

Honourable members may be interested to know the results of that control. On referring to page 94 of the 1932 report of the Department of Pensions and National Health they will find a table setting out the amount of narcotic drugs imported into Canada annually from 1919 to 1931. It will be noted that in 1919 we imported 12,333 ounces of cocaine. During the succeeding years down to 1931, it will be observed, there was a gradual decrease until, in 1931, we imported only 1,947 ounces of this narcotic drug. Of morphine, in 1919 we imported 30,087 ounces, but by 1931 the traffic had decreased to 5,353 ounces. Of crude opium, in 1919 we imported 34,262 ounces, as against only 999 ounces in 1931. These figures cover the legitimate importation of these three narcotic drugs.

Now I will deal with the illicit traffic. In 1931 the League of Nations published a document in which they set out that within the period between 1925 and 1930 not less than 106 tons of morphine, heroin and cocaine

entered the illicit traffic. I am speaking now not of ounces, as I did before, nor of pounds, but of tons—106 tons of morphine, heroin and cocaine entered the illicit traffic. It will be of interest to honourable members to know that during the year ended June 30, 1931, three and a half tons of drugs that had entered illicitly were seized on the North American continent. This gives some idea of the enormous market available to those engaged in the traffic.

I should like to pay a compliment to the Narcotic Branch of the Department of National Health. Since its establishment that branch has been most active and most insistent in routing out those who engage in the illicit traffic in narcotic drugs. We find that during the years from 1925 to 1931 that department, acting in co-operation with the attorneys-general of the various provinces, and the police departments throughout Canada, have succeeded in securing 1,560 convictions in which jail sentences without the option of a fine were imposed, and 2,157 convictions in which the option of a fine was given. It is history, and it can be easily ascertained from a reading of the reports, that this department of the Government service has carried on its activities with great energy and has been successful in securing the conviction of many persons of great importance in the world traffic in illicit drugs. In many cases these convictions have resulted not only in a fine, or imprisonment, but also in deportation.

The adoption by the nations who signed the Treaty of Versailles of the regulations and resolutions coming out of the Hague convention was of great value in coping with this problem. However, it was found that if the desired degree of control was to be secured, further activities would have to be undertaken by those nations and that the internal administration of the Acts governing the manufacture of narcotic drugs would have to be extended. So in 1925 another meeting under the League of Nations was called at Geneva and more drastic measures were agreed upon. In 1928 these were adopted by the nations that were represented. Subsequently to that convention Canada again amended her Narcotic Drugs Act, and to-day, I think, we may well be proud of the internal administration of that Act as it relates to the international control of this traffic.

After the treaty of 1928 it was found necessary to extend control to the source of supply, and at the convention called in 1931 under the auspices of the League of Nations there were laid down certain formulæ which related

not only to the international handling of narcotics, but also to the curtailment of their manufacture. Under this new convention it was proposed that each of the contracting nations should designate, through a central bureau of the League of Nations, its narcotic requirements for medical and scientific purposes. Furthermore, importers were required to secure an import licence, and, as that licence must pass through the central control body, all the contracting parties will be aware of its existence. Countries in which the drug is manufactured must estimate the quantities necessary to meet their own internal requirements for medical and scientific purposes, and they must not allow exportation without an export licence. This agreement has already been assented to by Canada, the United States, and certain other nations, and will become effective in 1933 if accepted by the representatives of twenty-five nations and the representatives of four of the nations in which the drugs are manufactured. These are France, Germany, Great Britain, the Netherlands, Japan, Turkey, Switzerland and the United States. I am satisfied that if the report is finally adopted internationally the result will be a much better control of the world drug traffic.

The second part of the resolution before us refers to the traffic in women and children, and to child welfare. These subjects have been a matter of international concern, and have been dealt with through committees appointed by the League of Nations. In 1921 the representatives of thirty odd nations assembled and drew up certain regulations concerning these matters, and since then other committees have met from time to time, but I do not think that the recommendations made have as yet been finally accepted internationally. From the experience gained in dealing with matters of this character I have no doubt that eventually the recommendations touching these questions will be accepted internationally and their adoption will be of great benefit to the nations of the world.

Hon. W. A. GRIESBACH: Honourable members, I agree with the honourable gentleman from East Kootenay (Hon. Mr. King) on the seriousness of the drug traffic, not only in this country, but throughout the world, and I can quite understand the interest of the honourable senator from Rockcliffe (Hon. Cairine Wilson) in the subject. I should like, however, to point out to them and to all others interested in this subject that if we are really desirous of reducing the number of traffickers in drugs in Canada we should do

well to abolish the fine that is now levied and to impose in all cases a jail sentence, to be followed by a flogging. This would reduce the number of drug cases from 3,000, the present figure, to a few hundred a year.

Last year I placed on the Order Paper some questions in regard to the financing of the League of Nations. I have not before me the figures that I received in reply, but it is my recollection that the League of Nations is at present being supported and maintained by the nations of the British Empire plus a bare half-dozen other nations in Europe, including France, Italy, Holland, Denmark, and perhaps Sweden. The contributions of all the other members of the League of Nations are in arrears for periods ranging from one to seven years. It follows that we probably have as good a right as any nation, and a much better right than many nations that are members of the League, to direct as to what the League of Nations shall do.

You will observe that the resolution before the House reads, in part, as follows:

That in the opinion of the Senate there should be no curtailment or interruption in the continuity of the work of the Section of the League of Nations—

and so forth. If this resolution had been drawn in such a way as to show the activities of the League of Nations in the order of the importance that we attribute to them, thus giving social and humanitarian questions, the opium traffic and the traffic in women and children a relative place in the list, I should have been glad to support it. But we are asked to deal with one subject to the exclusion of all others, and to assert that there should be no curtailment or interruption in this work. The League of Nations has many important tasks before it at the present time, and, for the reason that I have already mentioned, it has a limited income; consequently, I gravely question the wisdom of the Senate solemnly asserting that in its opinion this matter is paramount in importance to all the other activities of the League of Nations. I think that at this distance we should be well advised to let the League of Nations decide for itself what are the important questions to be dealt with, and what place this particular question should occupy on its agenda.

Hon. **RAOUL DANDURAND**: Honourable members of the Senate, I quite understand the point raised by my honourable friend from Edmonton (Hon. Mr. Griesbach) as to the relative importance of this work and the other activities of the League of Nations. It must not be forgotten, however, that this matter has been brought to our attention by

Hon. Mr. **GRIESBACH**.

a member of the Senate who represents a large constituency, extending to all parts of the globe. The women of nearly all countries have been very much interested in social and humanitarian problems, and I commend the action of the honourable member from Rockcliffe (Hon. Cairine Wilson) in drawing our attention to the importance of the work carried on in this field.

I may say that it fell to my lot to represent for three years, in the Council of the League, the section dealing with social and humanitarian problems. I was the rapporteur for all the questions that come under this resolution. The protection of women and children throughout the world, and of young boys who leave their own country and who fall under the laws of a foreign country and have to be returned home under certain regulations, occupied that section of the Council of the League. But the most important question that came under my supervision was that of narcotic drugs. I realize that in this domain, as well as in many others, no progress can be made unless it is made internationally. I may say that throughout South America and the Far East the League of Nations has been known by the work it has carried on to better health conditions in those countries. Sir Eric Drummond has succeeded in gathering at the secretariat a staff of experts for the dissemination of information as to the proper remedies for considerable evils, and exceptionally good work has been done by them throughout the Orient, and even in South America, where their help was requested. While I recognize that dealing with humanitarian problems is but a part of the important work carried on by the League, I do not think there is any harm in expressing the opinion that the activities of the League in that direction should not be curtailed.

Hon. **J. A. CALDER**: Honourable members, I do not intend to speak at any length to this motion. We all understand the importance of the subjects involved. There is no doubt that the work done through the League of Nations, particularly in relation to the traffic in drugs, has been very effective. I know also that what the honourable member for East Kootenay (Hon. Mr. King) has said as to conditions in Canada is true. Our own Department of Health, through its officials, has done a splendid work during the past few years in endeavouring to control the traffic in drugs. It happens that I was the first person to occupy the position of Minister of Public Health in this country—not being a medical man, I was appointed

Acting Minister—and it was my privilege to introduce in the House of Commons the first real law dealing with the control of narcotic drugs.

I rise at this time, however, merely for the purpose of saying that if an opinion is to be expressed upon this subject, it would probably be better that it should be the opinion of Parliament, and not of only one section of Parliament. While Parliament may presume to speak for all the people of Canada, we cannot do so. I am not opposing the motion on this ground, but would suggest that the subject be carried over until tomorrow, so that the right honourable leader of the Government may have an opportunity to express his views on it. Personally, I have every reason to hope that so long as the League of Nations continues to exist and function it will carry on the work referred to in this resolution, because in many respects work of this character is very much more important than some of the other classes of work that the League attempts to do.

I move the adjournment of the debate.

The motion was agreed to, and the debate was adjourned.

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

THE SENATE

Thursday, November 24, 1932.

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

Prayers and routine proceedings.

DISTURBANCE AT PORTSMOUTH PENITENTIARY

INQUIRY

Hon. Mr. LEWIS inquired of the Government:

4. (a) First mortgage on 576.1 miles.
- (b) First mortgage on certain terminal property in British Columbia.
5. (a) \$28,488.11.
- (b) —

1. Has the Superintendent of Prisons completed his investigation into the recent disturbances in Portsmouth Penitentiary?
2. Will the report be laid on the Table of the House before any action is taken?

Right Hon. Mr. MEIGHEN: The answer to the honourable gentleman's inquiry is as follows:

1. No.
2. The usual practice will be followed.

CANADIAN NORTHERN RAILWAY—PROVINCIAL GUARANTEES

INQUIRY

Hon. Mr. CASGRAIN inquired of the Government:

1. At the time of the Acquisition Bill of the Canadian Northern Railway were there bonds guaranteed by the provincial governments?
2. Were there any bonds guaranteed by the Government of British Columbia?
3. If so, what was the amount of the bonds thus guaranteed by that province?
4. What was the mileage of railways thus guaranteed?
5. What was the amount in dollars thus guaranteed per mile?
6. What was the rate of interest on these bonds?
7. Were there any of the coupons paid by this province? If so, how many and for what amount?
8. Did the Dominion Government relieve the provinces of their guaranteed obligations?
9. The same questions for Alberta.
10. The same questions for Saskatchewan.
11. The same questions for Manitoba.
12. The same questions for Ontario.
13. The same questions for Nova Scotia.
14. The same questions for Quebec.
15. The same questions for New Brunswick.
16. The same questions for Prince Edward Island.

Right Hon. Mr. MEIGHEN: The answer to the honourable gentleman's inquiry is as follows:

1. Yes.
2. Yes.
3. The following bonds were guaranteed:

	Issued	In hands of public
(a) Canadian Northern Pacific Ry. Co.	\$20,999,997 59	\$16,412,001 13
(b) Canadian Northern Pacific Ry. Co.	8,614,000 00	8,614,000 00
(c) Canadian Northern Pacific Ry. Co.	5,543,527 54	—
(d) Canadian Northern Pacific Ry. Co.	4,999,998 73	—

6. (a) 4 per cent.
- (b), (c) and (d) 4½ per cent.
7. No.
8. No.

Question No. 9—As to Alberta

2. Yes.

3.

	Issued	In hands of public
(a) Canadian Northern Rly. Co.	\$ 9,726,364 24	\$ 5,586,665 64
(b) Canadian Northern Western Rly. Co. . .	6,424,000 00	6,424,000 00
(c) Canadian Northern Western Rly. Co. . .	2,799,997 73	2,799,997 73

4. (a) First mortgage on 503·4 miles. 6. (a) 4 per cent.
 (b) First mortgage on 375·7 miles (b), (c), 4½ per cent.
 (c) First mortgage on 108·5 miles. 7. No.
 5. (a) \$11,097.87 8. No.
 (b) 17,098.75
 (c) 25,806.43

Question No. 10—As to Saskatchewan

2. Yes.

3.

	Issued	In hands of public
(a) Canadian Northern Rly. Co.	\$13,709,399 99	\$ 8,029,999 99
(b) Canadian Northern Sask. Rly. Co. . . .	1,174,813 32	—
(c) Canadian Northern Sask. Rly. Co. . . .	486,666 66	—

4. (a) First mortgage on 818·0 miles. 7. No.
 5. (a) \$9,816.63. 8. No.
 6. (a) 4 per cent.
 (b) and (c) 4½ per cent.

Question No. 11—As to Manitoba

2. Yes.

3.

	Issued	In hands of public
(a) Canadian Northern Rly. Co.	\$10,784,046 65	\$10,784,046 65
(b) Canadian Northern Rly. Co.	1,137,340 00	1,137,340 00
(c) Canadian Northern Rly. Co.	2,433 33	2,433 33
(d) Canadian Northern Rly. Co.	512,460 00	512,460 00
(e) Canadian Northern Rly. Co.	4,319,998 87	2,859,998 87
(f) Canadian Northern Rly. Co.	3,000,000 00	3,000,000 00
(g) Canadian Northern Rly. Co.	5,745,586 66	5,745,586 66
(h) Canadian Northern Rly. Co.	349,000 00	349,000 00
(i) Canadian Northern Manitoba Rly. Co. . .	160,680 00	—

4. (a) First mortgage 946·0 miles. (c) 91.48
 Second mortgage 306·7 miles. (d) 4,927.50
 (b) First mortgage 176·1 miles. (e) 8,118.08
 (c) First mortgage 26·6 miles. (f) —
 (d) First mortgage 104·0 miles. (g) 5,483.47
 (e) First mortgage 352·3 miles. (h) 7,772.83
 (f) First mortgage terminal property in 6. (a)–(h), incl., 4 per cent.
 Winnipeg. (i) 4½ per cent.
 (g) First mortgage 284·2 miles. 7. No.
 Second mortgage 456·9 miles. 8. In 1930 Canadian National securities
 Third mortgage 306·7 miles. guaranteed by Dominion Government were
 (h) First mortgage 44·9 miles. issued to retire a, b, c, d, e, g, h; f is still
 5. (a) \$8,608.64 outstanding and Provincial Government has
 (b) 6,458.49 not been relieved of liability.

Question No. 12—As to Ontario

2. Yes.

3.

	Issued	In hands of public
(a) Canadian Northern Ont. Rly.	\$ 6,725,485 13	\$ 6,725,485 13
(b) Canadian Northern Ont. Rly.	1,134,512 46	1,134,512 46

4. (a) First mortgage 43.2 miles.
Second mortgage 267.4 miles.
- (b) First mortgage 267.4 miles.
5. (a) \$21,653.20.
- (b) 4,242.75.
6. (a) 3½ per cent.
- (b) 3½ per cent.
7. No.
8. No.

As to Other Provinces

13. Nova Scotia—No guarantees.
14. Quebec—No guarantees.
15. New Brunswick—No guarantees.
16. Prince Edward Island—No guarantees.

CUSTOM-HOUSES AND OUTPORTS

INQUIRY—MOTION FOR RETURN

Hon. Mr. LYNCH-STAUTON inquired of the Government:

1. What is the number of custom-houses, sub-custom-houses and outports in Canada?
2. How many of them are in receipt of customs duties sufficient to pay the expenses of such offices?
3. What is the number of custom-houses, sub-custom-houses, and outports in the United States of America?
4. Does the American Government maintain as many such offices as does the Canadian Government?

Right Hon. Mr. MEIGHEN: I am told that the compiling of this information will take considerable time. Therefore I suggest that an order of the Senate issue for a return.

The Hon. the SPEAKER: The Order stands as a motion for a return.

UNITED KINGDOM TRADE AGREEMENT BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 8, an Act respecting a certain Trade Agreement between His Majesty's Government in Canada and His Majesty's Government in the United Kingdom.

Hon. Mr. DANDURAND: Although we have vaguely heard of such an agreement, I suppose the right honourable gentleman will give us an exact statement as to its purpose?

Right Hon. Mr. MEIGHEN: The exact statement is quite complete, exceedingly accurate and informative: it is contained in the Bill itself. The agreement embraces every detail, and its purpose, which is manifest, shines in every line of the Bill. That purpose is to provide freer access to Canadian markets for products of the United Kingdom, and freer access to United Kingdom markets for

products of the Dominion of Canada, which latter products are chiefly and predominately agricultural.

Hon. Mr. DANDURAND: Honourable members, during the debate on the Address in reply to the Speech from the Throne I stated my belief that we all were in favour of the principle of reciprocity with the British Empire. We have been seeking an extension of that principle ever since 1897, when we started giving a preference to British goods in the Canadian market. But as a result of the formula contained in this Bill there will be, I believe, considerable difficulty in establishing proper trade relations with those nations with which, under the most-favoured-nation clause, we have been exchanging goods in the past, to our very great advantage. No one can say what will be their reaction to the fact that we are transferring our purchases to British markets. It will be the business of the Government to make agreements with them as favourable as possible to Canada. Only time can tell what will happen, but we have already had some inkling of the reaction in the attitude of some countries, which are beginning to raise their tariffs against Canada and the rest of the world. I fervently hope that the transferring of purchases to Great Britain and the other Dominions will not result in diminishing the volume that our exports attained in the time of prosperity.

I need not repeat what I have already said in this Chamber, that on fiscal matters there are two trends of thought which constantly divide the two great parties in Canada. The Liberal Party has stood for freer trade. This follows logically its profession of Liberal policies based on Liberal principles. I remember the time when the Conservative Party protested that we on this side were unjust in characterizing it as standing for high protection. I suppose the members of that party would not protest so vehemently to-day in view of the very high tariff that has been in force since 1930.

All these trade agreements, being based on the principle of high tariff, naturally cannot have the adherence of the members of a party that has stood for freer exchange of goods with the outside world. Yet I must recognize that the Government of the day obtained from the people in 1930 a mandate on this principle, which was clearly enunciated by the leader of the Conservative Party, the present Prime Minister. The mandate having been given, I feel that the Senate is precluded from challenging it at this date. Knowing full well the limitations of this Chamber, I will content myself by simply declaring

that we dislike the policy, and cannot adhere to it, yet we must bow to the will of the people as expressed at the last election.

However, a contentious element has been introduced into these agreements, and I for one cannot concur in it: this country binds itself to maintain the policy enunciated in these agreements for a term of five years. On fiscal matters it has been generally accepted in Canada that a Parliament cannot bind any future Parliament; yet, although the people might see fit to reverse that policy at an election held within the next two years, and might pronounce themselves in favour of a lower tariff, these agreements might prevail for practically the whole life of the next Parliament. This, it seems to me, is an anomaly hard to reconcile with our cherished belief in the freedom of the people. For this reason I declare again, and more vehemently than I did on the first point, that those who stand for the people's full liberty of expression, and for a lower tariff, cannot concur in the binding of this Parliament for the next five years to a high tariff policy. On the other hand, I recognize that if the people should choose to reverse the policy for which they voted two years ago, Parliament might lower the duties, and a reduction of the tariff would be an easy way to alter these agreements, for it would benefit both Great Britain and Canada, in the opinion of those who hold that greater freedom of trade is beneficial.

Besides the fact that the people might reverse the present policy and their wishes might be expressed in legislation, in spite of these agreements, by a reduction of the tariff, I can foresee the possibility of a change in the policy of the present Government, as well as of the Government of Great Britain, in consequence of the conclusions which the projected World Economic Conference may reach. There is no question that that Conference will attempt to bring about a general reduction of tariffs throughout the world. During the last few years I have met men—not Canadians—interested in international affairs, and they have all agreed that the economic condition of the world cannot be improved except by agreements amongst the nations. Those men clearly foresee and positively affirm that there can be no chance of an early economic recovery unless the representatives of the various peoples hold a round table conference and reach conclusions to bring about greater freedom of international exchange.

In reading these agreements I have felt that the economic unity of the Empire, which has been the goal of some statesmen in Great Britain and perhaps of others in Canada, can

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be built on an enduring foundation only if it is based upon the principle of freedom. I fear that the various clauses of this Bill indicate some weakness in this respect, inasmuch as they permit of intermeddling by the two governments. I see some danger in the right given to the British Government and its nationals to appear before our Tariff Board to claim equality of treatment with our own producers. I do not object to any policy that tends to reduce the cost of production for the benefit of the consumer, but I feel it is a dangerous principle to give one Government the right to intermeddle in the affairs of the other. The appeals which the manufacturers of Great Britain, supported by the British Government, may make before our Tariff Board are to my mind fraught with considerable danger. Within the last two months a representative British statesman while in Canada said that he was very much interested in the constitution of the proposed Tariff Board, because in it could be found all the meat there was in favour of the British producer. So I fear that disappointment will follow the disposition of those appeals, with all the recriminations incident to such disappointment.

It has already been stated in British publications that appeals before the Canadian board would be useless. I see in a despatch from Halifax, England, which appeared in our press of the 14th of this month, the following:

The Yorkshire Chamber of Commerce has invited the co-operation of the Bradford and Huddersfield Chambers of Commerce in preparing a case for revision of the Canadian wool and textile tariffs set up under the agreements of the Imperial Conference.

Although the wool and textile delegation comprising a central body representing the organized employers has already decided upon certain lines of action, the delegation will not at present indicate in what direction it proposes to take advantage of the clause permitting representations to the new Canadian Tariff Advisory Board.

We shall have pilgrimages of British producers to Canada oftener than many Canadian industries would like, and a highly technical discussion will take place as to the comparative rates of wages paid Canadian labour and British labour and as to other factors entering into the cost of production.

There is another statement to which I should like to refer. It comes from Mr. Neville Chamberlain, who, I believe, has a wrong viewpoint as to what will be the effect of these agreements between our country and his own. A London weekly said recently:

Mr. Neville Chamberlain has said what we should have thought no public man in this country would have uttered aloud. "The im-

pression left on my mind when I got to Ottawa," he told the Conservative Party at Blackpool, "was that the ties which bound the Empire together had begun to get dangerously frayed, and that if something were not done to reverse the tendencies of recent years, the day might come, and come in no long time, when the disruption of the Empire would gradually begin." And he claimed that the tariff agreements at which the Ottawa Conference had arrived had begun to repair the damage. It is a libel, of course, and of the worst kind, to suppose that the ties of Empire are composed of strands of reciprocal tariffs.

What did the right honourable gentleman mean by "tendencies of recent years"? Undoubtedly he referred to the Conference of 1926, which proclaimed equality of status between the Dominions and Great Britain, and to the conclusions of that Conference, which were translated into the Statute of Westminster and unanimously approved by the House of Commons and by the Senate of Canada. I would remind the right honourable gentleman that freedom and sentiment are the basis of our relations, and it must not and cannot be altered by business considerations.

Hon. C. P. BEAUBIEN: Honourable gentlemen, as the chiefs on both sides have practically rested their contentions on the merits of the Bill itself, I rise with some diffidence to speak on this measure. I may, however, have some claim upon your indulgence by reason of the fact that time and again, in this House, I have joined my modest efforts to those of honourable gentlemen on both sides of the House in asking that the one-sided, unjust preference which had existed for so long, to the detriment of Canada, should be either amended or withdrawn. I cannot help expressing my deepest satisfaction at seeing this long-standing injustice repaired at last.

I regret that we have not amongst us to-day a gentleman who, when this matter was last discussed here—in 1924 or 1925, I believe—gave the House a most beautiful example of courage and patriotism. Many honourable gentlemen here to-day will remember the stand taken at that time by Hon. Mr. David. He was eighty-six or eighty-seven years of age, extremely weak physically, with hardly any voice left. He had been the bosom friend of Sir Wilfrid Laurier; no man was closer to Sir Wilfrid's heart, no man more intimate with the great Leader's thought, than Senator David. No policy was more closely bound up with the purpose of one man than was the preference granted to Great Britain in 1897 identified with the mind of Laurier. The preference was Laurier's preferred child. Although Mr. David was the bosom friend, confidant and devoted admirer of Sir Wilfrid Laurier, he stood up in this House and called for the repeal of

this unjust preference which for years levied tribute not only upon the capital invested in our industry, but also upon the labour men dependent thereon. For the benefit of whom was this preference given? It was for the benefit of capital invested and labour employed in the British Isles.

Honourable gentlemen, if the late Senator David were with us to-day, with what deep satisfaction he would hail the reparation he had so long awaited, not alone, but with many other honourable members on either side of politics. If I am not mistaken, our ever-young member for De Salaberry (Hon. Mr. Béique) spoke very sympathetically at that time in support of Hon. Mr. David.

Be that as it may, I cannot help expressing a very sincere regret that at so pressing a time as the present this measure, of such importance, should be fought tooth and nail by a great party like the Liberal Party. Why has it become necessary? I know it has been asserted that there are differences, tints invisible to the eye of the ordinary man, between the policy now pursued by the Conservative Party and the policy adopted by the Liberal Party and pursued for thirty-three years. For my part I cannot see the slightest difference, except, perhaps, in the manner of expressing the policy. Is it not a fact that Sir Wilfrid Laurier and his successors demanded reciprocity? That cannot be denied. Is it not a fact that they asked for the same sort of reciprocal treatment? That can readily be found in parliamentary records, and no man dare deny it.

I have often asked myself how it was that the Liberal policy, pursued for so long, was not carried to final fruition. May I give you my explanation? I will do so in all candour. Sincerely, I believe that in 1897 the policy of the Liberal Party was born with a deadly congenital disease. In 1897 the Liberal Party intended to reduce the tariff, but that was not an easy task. In the great industrial centres of the East were many thousands of voters dependent upon industry for their livelihood and that of their families. Notwithstanding that, those who relied upon protection, nay, lived upon protection, were induced to accept a reduction of the tariff. When I was in Spain, like other honourable members of this House, I witnessed the gruesome spectacle of a bull fight. I will not enter into all the details. The toreador carries his rapier concealed under a capa of bright red silk. When the animal charges right and left it is always the capa that it sees, and never the rapier, until the time comes when the poor brute is tired and out of breath. Then it is

dispatched with a clean thrust to the heart. In 1897, when the Liberal Party wanted to reduce the tariff, it held its pruning knife, but was very careful to conceal it with the British flag. To the voters in the large centres the Liberals said, "Do this for the British Empire."

Later, in the House of Commons, statesmen, men of great talent and prestige, rose and said that the preference had been given by the Canadian people out of the fullness of their hearts; but those statesmen, because of their political creed, had perforce to add that it was granted for the good of Canada as well. Such a striking attitude could not be taken without becoming known across the Atlantic, and for thirty-three years thereafter, whenever Canada knocked at the door of No. 10 Downing Street and asked for reciprocal concessions, an incredulous minister always remembered that Canada gave a preference to Great Britain, not at all for the sake of Great Britain, but for Canada's own advantage. How could Canada ever expect to obtain from hard-headed business men, like British statesmen, any valuable concessions in return for what Canada had done simply for its own benefit?

If any honourable gentleman requires any evidence, I can quote it from the lips of an English statesman who for years was utterly opposed to any reciprocity favouring Canada, but who lately has become one of the most ardent apostles of our treaty with the United Kingdom. Listen to what Mr. Thomas said in the British House of Commons in 1926, when this very question was being discussed:

During a debate in the Canadian Parliament a week ago, Mr. Lapointe, the Canadian Minister of Justice, said that "Canada was giving Great Britain a preference in her market of her own free will, but mainly because it suited Canada to do so."

Mr. Graham said at that time: "That preference was given to Great Britain out of the heart of the people of Canada, but not altogether from altruistic motives, because Canadians believed, and it has turned out to be true, that giving preference to the Motherland would be mainly for the benefit of their own country."

Hon. Mr. LACASSE: Hear, hear.

Hon. Mr. BEAUBIEN: Why, may I ask, should British statesmen constrain their people to accept sacrifices in return for what Canada did, not for Great Britain, but for her own benefit? In view of the attitude of the Liberal Party, I am not at all surprised that Mr. Thomas, who was very hard to convince, even in 1930, should have then claimed, during the course of the Imperial Conference, that the proposition made by the Canadian delegates was nothing but humbug.

But the situation changed, honourable gentlemen. The change was not due entirely

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to the efforts of the Conservative Party. In 1930 the pruning knife was taken out again, the tariff again cut down, and the preference increased. Then trouble began. Our workmen found themselves with empty dinner pails, and throughout the country a cry arose that this sacrificing of Canadian markets and Canadian interests for the benefit of British capital and British workmen had gone too far, and this opinion was confirmed at the elections which shortly afterwards took place.

It is easy in a speech before Parliament to contend that our delegates took a big stick and browbeat John Bull, but how ridiculous it is in fact! Can anyone conceive that a British Government would last for twenty-four hours if it submitted to such treatment? The truth is that a condition existed which could last no longer. A condition which, if it did last longer, would have fatal results, was placed clearly before the British nation. The facts were clear. The British people realized that Canada was sincere and that if their Government did not give a quid pro quo to Canada, the preference would go, for it was well understood that our Prime Minister in his declaration was supported by the people of this country. Great Britain realized, further, that every other Dominion supported the Canadian stand. Can honourable members not picture the situation as Britain saw it? May I ask you to ponder on what would have been the result if Canada and the rest of the Dominions had withdrawn the preference? We have been told that it is dangerous to inject business into family relations. That may be true, but the danger is by no means certain, whilst the repeal of the preference was an immediate, inescapable calamity. Great Britain could avoid such disaster only by reversing her old policy and granting the preference which Canada had been requesting for many years.

There was a mighty difference between the Liberal Party's half-hearted pleas for concessions, which the British Government did not grant, because it had no faith in them, and the dignified but firm language of the Conservative Party in 1930. I consider that at the conference of that year the Canadian Prime Minister and delegates rendered a very great service to the Empire by forcefully setting forth the consequences of the then existing conditions. If I am wrong in this opinion I am in excellent company. May I read what Viscount Hailsham has said?

I have said before, and I should like to repeat, that the Empire as a whole owes a real debt of gratitude to the Canadian Prime Minister because he refused to accept "No" for an answer and because he had the courage, the determination and the vision to suggest a postponement of the economic side of the Conference

until this year at Ottawa, so that we might all join with a fresh opportunity of seeing whether we could not solve the problem which, in 1930, proved beyond solution.

And Lord Elibank was quoted by the Montreal Gazette as saying:

The British Empire was at the parting of the ways when the Ottawa Conference was held. I think that the successes achieved there have been the cause of avoiding disintegration.

Mr. Neville Chamberlain expressed a similar view when he said that the ties of Empire were wearing dangerously thin prior to the Ottawa Conference.

The pact has been attacked on the ground that it will result in excessive protection. I have endeavoured to analyse the whole situation in an attempt to determine whether there is any justification for such a contention, and if honourable members will bear with me for a few minutes I will state my conclusions. In the fiscal year 1930-31 we imported goods to a total value of about \$1,000,000,000. Of course, owing to worldwide conditions, our importations have decreased by roughly 50 per cent since that time, but I am taking those figures as representative of a normal year. Of that total only 21 per cent, or \$211,000,000, will be affected by the agreement. United States goods that will be affected total only 12 per cent, or \$118,000,000. The total value of other foreign goods affected will be only \$25,000,000, or 2½ per cent of the whole. British imports affected total \$68,000,000, or 7 per cent. There will be tariff changes on only 20 per cent of all the American imports, and 50 per cent of all British imports. Whatever increases in duties are made will affect foreign goods, and decreases favour merchandise from the Empire.

In bulk, the increases affect 139 items, of a total value of \$121,000,000, while the decreases apply to 130 items, valued at \$117,000,000. So the preponderance of increases over decreases is only \$4,000,000. Yet it has been said that this agreement will lead to unreasonable protection! When this agreement is put into operation the people of Canada will be paying increased duties of \$4,000,000 a year on the basis of total imports of \$1,000,000,000. But, as present importations total only about \$500,000,000, we shall be paying only about \$2,000,000 more in duties than we were before.

Hon. Mr. DANDURAND: But the additions were made to a tariff that was already high.

Right Hon. Mr. GRAHAM: It is from high to higher.

Hon. Mr. BEAUBIEN: It would require a little more time than I intend to take up on this occasion to discuss our entire tariff policy. It always seems strange to me that persons who cry for a reduction in the tariff claim to represent the interests of the consumers. Time and again I have asked my honourable friends on the other side of the House to show me a consumer in this country who is not a producer. We have no leisured class in Canada. Everybody here works.

Hon. Mr. MURDOCK: You mean everybody should work. There are thousands of people in Canada to-day who are not working.

Hon. Mr. BEAUBIEN: I was not thinking of railway employees who are drawing pay for overtime. Now, is a millwright not a producer? A mill could not be kept going but for his services. And are doctors not producers? How would the human race, with its sick, lame or halting, get along without doctors? We lawyers are commonly supposed not to be producers. But, if laws are necessary, are not lawyers needed to see that the laws are made and administered rightly?

Right Hon. Mr. GRAHAM: I should not like to commit myself.

Hon. Mr. BEAUBIEN: Now, honourable members, the tariff wall will hardly be changed at all by this agreement. One or two bricks will be taken from one part of the wall and added to another.

Hon. Mr. BUREAU: It was one straw that ultimately broke the camel's back.

Hon. Mr. BEAUBIEN: Yet this agreement with Great Britain has been attacked with unprecedented bitterness. Is there justification for such attack? I leave that to the judgment of honourable members.

I have heard it said, and have read in the press, that it would have been wiser to facilitate the importation of instruments of production rather than obtain preferences on the export of our own natural products. Is there any ground for that contention? The natural products of this country, in consequence of the agreement with Great Britain, will be granted free entry into a sheltered market of 42,000,000 people.

The manufacturer is the only one who will be called upon to pay for these advantages. Any sacrifices imposed upon Canada will fall upon its industrial sections. With the permission of the House I should like to read a statement made, immediately after the announcement of the tariff reductions, by Mr. A. O. Dawson, President of Canadian Cottons,

Limited, and Canadian Woollens & Worsteds. If the spirit expressed in this interview could penetrate certain parts of this country it would do a deal of good. This is what he says:

Taking the long view, which is the only view to take, it ought to be a good thing for all concerned. It will necessitate our issuing without delay a new and lower price list, which naturally gives us some concern, but, as I say, sacrifices have to be made, and we are loyal enough to do our part. It must be remembered that this cut comes on top of the detrimental effect of Britain going off the gold standard, which was a serious blow to us, and added to our problems, while in addition there has been a cut on operatives' wages in England which will enable them to make still lower prices for export, all of which has to be met by us, if we are to hold our trade. The freeing of fine linens means that it will prevent the development here of finer lines of goods, but someone had to make a sacrifice, and the manufacturers are the only ones who can do it. The whole thing seems to be very fair—there had to be some trading between the different parts of the Empire, and while each part was looking after its own it was not unkind to the others, and the compromise seems to be fair for all concerned. Premier Bennett has handled the matter in a masterly way, and we hope it will bring the benefits that are anticipated.

I know it is easy to smile at a statement like this, but the truth of it can none the less be established for anyone who takes the trouble to inform himself of the facts. Perhaps some honourable members are not familiar, as I am, with towns that have been not so long ago decimated as a result of too keen competition from Great Britain. But many honourable members constantly feeling the pulse of business are better informed. They do not smile at the statement that I have read.

So far as Great Britain is concerned, the trade pact has been in effect for a few months. Perhaps the House will bear with me while I read a despatch in the Montreal Star of the 15th instant, as showing already the effect of these tariff changes made in favour of Canada. This is the despatch:

Export of copper showing big gain—British preference increases market for output from Canada.

Big quantities of Canadian copper are being passed over the Montreal wharves, the movement having been accelerated considerably by the recent British decision to put a duty of four cents a pound on the foreign commodity, thus giving Empire copper that much preference.

This afternoon the freighter P. Madsen will sail with 1,000 tons of copper rods, while 24 carloads of copper are being taken aboard the Concordia, scheduled to sail within the next two days. In addition, many other ships are loading copper.

J. A. Nuttall, manager of A. W. W. Kyle Company, forwarding agents, said to-day that the P. Madsen had been specially chartered for the conveyance of copper.

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He went on to say that the British preference should act as a tremendous impetus to exports from Canadian ports. Speaking specifically of copper rods, he said that while some 15,000 tons have been taken from Montreal this year, at a conservative estimate at least 50,000 tons would be shipped next season. "This trade is only really beginning," he emphasized.

He said that shipments are being made to all parts of the United Kingdom including London, Liverpool, Glasgow, Swansea and Cardiff.

I think it is beyond contradiction that this year we have exported to Great Britain more wheat than in practically any other year in our history. That is something. Besides, nobody will deny that the exportation of lumber, particularly of Douglas fir, has increased tremendously this year. To be exact, the increase for the first eight months of this year as compared with the same period of last year has been 68 per cent; whereas the exports of lumber from the United States to Great Britain during the same period have fallen 73 per cent. Our exports of tobacco have also received a tremendous impetus. In another place a long list was presented, and not challenged, showing in many cases very substantial improvement in our sales to Great Britain.

One further point for the benefit of an honourable gentleman whom I do not see in his seat. It is suggested, with respect to trade negotiation with foreign countries, that we should be very careful lest we tie our hands. I would ask him, and others who share his view, where to-day could they find another nation of 42,000,000 people willing to give our goods free entry to their market? The United States? That country has a protective tariff against wheat of 42 cents a bushel—as much as the commodity is worth to-day. Moreover, President-elect Roosevelt has stated that he will not reduce the tariff rates on agricultural products. Where are you going to turn? To France? She has a protective tariff of \$1.60 a bushel—four times the price at which wheat sells to-day. Germany? She has a tariff against wheat of one dollar a bushel. Italy? There, too, the tariff duty is practically one dollar a bushel. I understand the importation of practically all other products is treated in much the same fashion by these countries.

We have been told that in these trade agreements there lurks the danger of coercion, and we are warned to be careful. When I hear men speaking as if it would be possible for Great Britain to coerce Canada to-day I am inclined to remind them that, considering the mentality of this country, the Boston Tea Party is not a hundred and fifty, but a thousand years old. Who will stand up

and take the responsibility of refusing to accept a sheltered market for our goods such as is offered to us by a nation of 42,000,000 people? Some honourable gentlemen, while they will not take upon themselves such a responsibility, are ever ready to put forward various objections against this trade agreement. One of these objections is that by this Bill we are tying the hands of Parliament. I ask those honourable gentlemen, in cases infinitely less important have they not, when in office, taken the very same course that they are now condemning while in opposition? They have done so. They know it. Not one of them can answer no to that question.

But those who have advanced that objection knew they were hitting in a vital spot the project which we are now trying to foster. They have made known to the country that this trade treaty between Canada and Great Britain is to be subordinated to party interest—that one of its most important elements, certainty of duration, is to be destroyed. That is what the Liberal Party is doing to-day. Tell me whether any exporter will attempt to take his share of a foreign market of 42,000,000 people if the entry to that market is so insecure that he will not be able to recoup his outlay, which may be enormous. I know something of export trade. How long will it take you to make your goods known throughout Great Britain? How many travellers will you require? You have to establish your organization—sale, distribution, credit and collection. How long will that take? Will you go to the expense and trouble of doing it while there hangs over your head the menace that only so long as the Conservative Party is in power shall this agreement last? Do honourable gentlemen opposite realize that by their hostility to this trade agreement they are discouraging many of our exporters who otherwise would courageously take the necessary steps to develop the only great market open to them to-day?

I do not think the gravity of the present world crisis has been emphasized in a more striking manner than by Mr. Montagu Norman, Governor of the Bank of England, in one of his rare speeches, which he delivered last month. He said:

The difficulties are so vast, the forces so unlimited and so novel and the precedents so lacking, that I approach the whole subject not only in ignorance, but in humility. It is too great for me.

I believe if all the nations would act together things would be different.

But that we don't seem able to get, and therefore I am driven to the conclusion that we must take for the moment the short view. But we can plan for the long.

When it comes to the future I hope we may all see and approach the light at the end of the tunnel which some already are able to point out to us.

I myself see it somewhat indistinctly, and different directions are pointed out to us, all of which I hope will lead us where we wish to go. But I must admit for the moment the way is not clear. We have not yet emerged from the difficulties through which we have been passing.

I believe in the old motto, "United we stand, divided we may fall."

But generally speaking the difficulties through which we have been passing are too great. I wonder if anyone in the world can really direct the affairs of the world or of this country with any assurance as to what result his action will have.

Who, two years ago, could have foreseen the position to which, little by little, we have drifted? In spite of every attempt that has been made, mostly in isolation, the vast forces of the world, the herd instinct, and the desperation of people who have neither work nor markets, have brought about a series of events and a general tendency which appear to me at the present time to be outside the control of any man, any government or any country.

Time and again I have put to myself this question: Who can say that this view is too pessimistic? Has any honourable gentleman the courage to stand up and say that it is altogether unjustified? Honourable members, one shining truth stands out in this speech: no one government, no one nation can by its own force overcome the present depression. So far as I know, but one constructive international attempt had previously been made to overcome this grave economic crisis: it was made by M. Briand when he advocated his plan for a European union. But national hate and national suspicion killed that plan.

This is the only living, constructive agreement of vast international extent. Is not my statement correct? Where will you find any agreement of like importance? Nowhere. Would it not therefore be wise to forget party leanings? I know that times of depression are hey-days for the party in opposition. But should we not rise superior to any narrow party considerations? Should we not rather join together in one common effort to bring to fruition the only constructive plan between nations that so far has been advanced? I trust that we shall. It seems to me that the British Empire is like a great fleet sailing towards a safer haven, with Canada in the lead. Let us cease fighting for the tiller; let us each to our fullest capacity help to trim the sails so that we may reach that haven swiftly and safely.

Right Hon. G. P. GRAHAM: Honourable members, my words will be few, but as a preliminary may I say to my honourable

friend from Montarville (Hon. Mr. Beaubien) that I think he will get few people to join him in his copious tears over the sacrifices that the textile men have made. I have read the comments pro and con. The only sacrifice made is a little item respecting linens, which does not affect us very much. Textiles still enjoy the high, higher and highest protection that they had before this agreement was made, and therefore I think you will realize that my honourable friend had to pump up a good deal of sympathy to become tearful over the textile men's dilemma. My own opinion, and I express it with great humility in the face of the arguments that have been presented, is that the world has gone crazy on high protection.

Some Hon. SENATORS: Hear, hear.

Right Hon. Mr. GRAHAM: It has gone mad, and one of the quotations read by my honourable friend (Hon. Mr. Beaubien) pointed out quite distinctly that the nations of the world must get together in order to discuss relations with one another, and that until this is done and suspicion and hate disappear we can have no world reaction towards better conditions. That rather destroyed the whole argument of the honourable gentleman in favour of higher protection. Do not mistake me, honourable gentlemen. I am not a free trader, but when honourable members endeavour to tell us that the panacea for all our troubles is to "soak" us with a higher tariff I fail to follow their argument; though, of course, I shall have to pay. Every nation in the world has raised its tariff higher and higher, and the situation has been getting worse and worse, not only internationally, but in individual countries.

I think my honourable friend (Hon. Mr. Beaubien) spoke politically for a time. I had thought his lecturing was a bidding to all to rise above partisanship and deal with this question in a great national spirit. I was rather surprised, therefore, to observe him descending to the level which the rest of us are said to occupy, and talking party politics. As a matter of fact I never heard a more enthusiastic Tory speech in my life. It is an old saying that the proof of the pudding is in chewing the strings. My honourable friend brightened his speech with some remarks of mine, made on a previous occasion. That part, to my mind, was unanswerable, and was a bit of a brilliant touch. I am not going to argue about whether what I said was right or not; sometimes I say the wrong thing; but I will just ask my honourable friend and other honourable members here to take the years from the time when those remarks were made

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down to the time when Sir Wilfrid went out of power, and compare them with any Tory régime, and say what the comparison would show. The fifteen years that Sir Wilfrid Laurier was in power were the brightest years in the history of Canada, economically, internationally, and, I might say, socially as well. As my honourable friend would ask, can anybody deny that?

Hon. Mr. BEAUBIEN: Will the honourable gentleman permit me to ask him a question?

Right Hon. Mr. GRAHAM: Certainly.

Hon. Mr. BEAUBIEN: First of all, would he deny that Sir Wilfrid Laurier hardly changed the tariff at all; and, secondly, that from 1922 to 1930, when it was changed, we lost more of our population than at any other time in the history of this country?

Right Hon. Mr. GRAHAM: I am glad that my honourable friend has taken in another piece of territory. I will come to that in a minute. I asked him whether anybody would deny that the Laurier régime was the brightest period in the history of Canada. He does not attempt to answer that. The allusion to the preference was absolutely correct, and the result of the granting of that preference was the brightest era in the history of the Dominion of Canada. Results mean more than words or eloquence. And, as we have learned since 1930, promises do not count; they do not bring much in the way of results.

I say in answer to my honourable friend's question that one year after the Liberal Party came into power there was a change in the fiscal policy of the Dominion, and that from that date until after the War Canada was prosperous. Is that a fair statement? I brought in the War because at that time we all went insane in regard to our business relations. We were prosperous because money was plentiful and we spent lavishly; but immediately the War was over the outlook was not so good.

My honourable friend has referred to the times from 1922 to 1930. Many people have come into the country only to go out of it again. Greatly exaggerated statements have been made in this regard, but I have the record that my honourable friend placed before the House at one time. You really cannot judge the success of a country by the number of people coming and going. Many were deceived by the allurements of the United States' high tariff, which proved a delusion and a snare.

Now I am going to ask a question, and I shall not confine it to my honourable friend, because he, like myself, does not know everything. Next to the régime of Sir Wilfrid

Laurier, was there ever one as prosperous as that of the King Government, which carried out the policy enunciated by Sir Wilfrid? If I were to sit down now, I think I should have made out a case against my honourable friend and his policy of high and higher protection.

I come now to the agreement. I am not going to take any strong ground against this agreement. I agree with my leader. I appreciate that the Britisher is not an easy man to deal with. I would say this to my honourable friend (Hon. Mr. Beaubien), however, that if the carrying out of this agreement results in conditions that are fifty per cent as good as those prevailing in the time of Sir Wilfrid Laurier and Mackenzie King, we shall all be glad. The honourable gentleman has told us that 250,000 men were out of employment in 1930, and that certain things were done. Then came high tariffs, and three times as many men are out of employment. It was promised that high tariffs should cure the evil, but surely my honourable friend must admit that they have failed. I do not think any person else will shake his head at that. Whatever else happened, the high tariff did not produce the promised result. This is proof that this higher tariff nonsense is as one man, Thomas, said, "humbug." We can go to a certain point with our tariffs, in the same way that a business man can go to a certain point with his prices and in the operation of his finances, but beyond that it is simply a case of riding a willing horse to death.

Throughout the world there is insanity on the question of tariffs. We are trying to make ourselves believe that we can lift ourselves by the boot-straps, and in that way get out of the condition into which we have got ourselves. It cannot be done. We must have tariffs for revenue, but if nations are to prosper, the world as a whole must prosper. As one honourable gentleman has said, no nation can prosper alone, and I say that no empire can prosper if it does not deal with the outside world. If the nations of the world are to prosper they must be willing to trade with one another on fair terms, because nations, like individuals, are not going to buy from others if they cannot sell to them and exchange with them. The United States is beginning to find that out, and it is being borne in on the business men of that country every day that they must reach some conclusion which will enable them to trade with the people of other nations.

All this does not mean that I am a free trader, but there are two or three points I want to impress upon the House. One is that the régime of Sir Wilfrid Laurier was superior to any that preceded or followed it,

and that the régime of the King Government was a close second, proving that the policy of high and higher tariffs is not essential to the country's development, but is, as a matter of fact, detrimental to the best interests of a country and of the world at large. The Lord never placed us here that we might build a Chinese wall around the country, saying that we would not buy from other countries, but having the temerity to try to make people think that they could sell their goods to others without buying from others. The objections to these agreements have been expressed very accurately by my leader (Hon. Mr. Dandurand).

As to the making of agreements, as I said a moment ago, the British business man is not an easy man to trade with. Some of us who think we know something about what happened within this very peaceable conference—my honourable friend (Hon. Mr. Beaubien) could not have heard of it—know that negotiations require a great deal of patience on both sides, as well as diplomacy and some horse-sense. I know the Government did not have an easy time, because it was dealing with men who were born diplomats, and who afterwards were trained to be better diplomats and thorough business men.

Some person in what I will call the Lower House, to distinguish it from this one, also did me the honour of quoting something that I said somewhere at some time or other. While ordinarily I would not for the life of me mention anything said in a place to which I should not refer, yet I will speak about this, because it was personal to me.

It was a description of the attitude of the Liberal Party in endeavouring to secure preferences. What was that attitude? In the first place, Sir Wilfrid Laurier and Mr. Fielding—the Liberal Party—gave a preference to the Motherland. My honourable friend from Montarville (Hon. Mr. Beaubien) will remember that it did not meet with enthusiastic support. In fact, he himself has criticized it this afternoon. But the results for Canada were wonderful. I have been criticized for saying that the motive was not altogether altruistic, and I ask again, why should it be? We received great benefit from having granted a preference to Great Britain. Without going into detail, I may say that the results show my statement to have been perfectly correct. It might be called prophetic now that the prophecy has been realized. In granting the first preference to Great Britain Sir Wilfrid Laurier always maintained that it should be done as a gesture of friendship and devotion to the Old Land, which for some time had done

much for us by allowing our goods to enter its markets comparatively free of tariffs. The same objection was taken to what was done at that time as was raised by my honourable friend this afternoon, namely, that it was one-sided. I think results have shown that it was not. I do not want to be harking back to that every minute, but it seems to relate to my remark about chewing the strings of the pudding. Canada obtained results.

Now we come to another conference. I had the honour of sitting in the Imperial Conference, and the Imperial Economic Conference as well—they sat on different days—in 1923. The situation at that time was peculiar. You can imagine what would have been the situation last summer, when the Conference was held in Ottawa, had an election been about to take place, especially if it so happened that during the negotiations the campaign had actually started. Under such conditions it was not easy to negotiate, for partisans are partisans—even in the Senate I have discovered this—and each party was just a little anxious about the outcome of the approaching election. To make the story as brief as possible, I may say that I suggested quietly—and the Canadian delegation was with me—that because of the preference which had been given for mutual benefit for many years, and which had been increased, I thought the time had arrived when Canada would appreciate some reciprocity. Broadly and briefly, that is the way I put it. I think I am not making public anything that I should not make public when I say that the British members of the Economic Conference agreed with that presentation and expressed the belief that something could be done. But, mark you, the campaign was already on, and they were a bit timid. Nevertheless, they did give us certain concessions on tobacco, fish, and several other articles, which I cannot enumerate. Of course, these concessions were all subject to ratification by Parliament. It was represented to them, through a letter from the Prime Minister—you can understand the delicacy of the situation—that if at any time Great Britain desired to change her policy and give us a preference on commodities in addition to those outlined, the names of those commodities were to be put on record. Wheat, I think, was the first item mentioned; then came lumber, and fish, and maybe a dozen other articles on which Canada would be helped most in case the British representatives changed their policy. I may say that the members of the British Government agreed that this was a very proper request, but the election came along, and the party that had made the tentative arrange-

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ment with us was defeated. If my memory serves me rightly, Ramsay MacDonald, the Prime Minister of Great Britain, left Parliament free to say whether it would ratify the agreements made tentatively with us. Parliament did not ratify them; consequently they did not go into force. I make this statement merely for the purpose of explaining the conditions under which the negotiations took place.

Who can question the wisdom of having some kind of preferential arrangement with the Motherland? I am sure I have never heard any person do so. I am in favour of preference, and endeavoured to make as much progress as I could on that line, but with a view to having free-will offerings rather than bargainings by various parts of the Empire.

It was the people of Great Britain and not the British Government who refused to grant the suggestion of the Canadian representatives. I do not want to weary the House by further reference to this matter, but I can tell my honourable friend from Montarville (Hon. Mr. Beaubien) that if he is desirous of making a comparison of results, and not of promises, I should like to have a lengthy discussion with him some time.

Hon. R. FORKE: Honourable members, after the very eloquent addresses that have been made from both sides of the House, I rise with some hesitation to make a few remarks. It seemed to me that the first part of the speech by the honourable member for Montarville (Hon. Mr. Beaubien) was bitterly partizan, and I must confess that I was better pleased with the latter part. No matter what any of us may say, or how strong the party spirit may seem to be, I am sure that at heart we all are willing to get together in an effort to improve conditions.

I have jotted down a few lines, and, with the permission of the House, I shall follow them rather closely during the time I am speaking. The people of Canada looked forward to the Imperial Conference at Ottawa, which was a meeting for the discussion of affairs of common interest to all countries comprising the British Empire. The Conference is over and we have the result in the agreements that were reached. It was a meeting at which a spirit of good-will and mutual helpfulness should have prevailed, but it is somewhat doubtful whether any such spirit existed, for we have heard a good deal about the bargaining alleged to have taken place there.

I intend to deal principally with the agreement between Canada and Great Britain. I am afraid that in the making of this agree-

ment the bargaining spirit of the marketplace prevailed, the spirit that is actuated by the principle of giving as little and getting as much as possible. The former Chancellor of the Exchequer in Great Britain said that all the Dominions had been obsessed with economic nationalism and had looked solely to what they could get, particularly from the Mother Country. I do not want to be understood as endorsing that statement, but I think it shows how some people in the Old Country look upon this agreement. It is now admitted that towards the end the Conference was on the point of breaking up in an abrupt manner, but such a termination could not be permitted.

Lord Snowden has stated that at the 1930 Conference in London the Prime Minister of Canada threatened—I think that was the word used—that if his demands were not agreed to he would make arrangements with foreign countries. These are rather strange words to be used by the Prime Minister of this country at a meeting that might be considered preliminary to the Ottawa Conference.

I cannot see that Great Britain stands to gain much, if anything, by this agreement. But the distinguished delegates could not afford to have it said that the Conference had failed, that the Mother Country had met her children and they could not agree. I have looked over the free list in the schedules, and I rather think that a great many of the articles mentioned there are likely to continue to come into this country from the United States, duty paid. I had hoped for something different. I admit that we may export a great deal more lumber than we have exported in the past, but I had hoped for some developments beyond that.

Lord Snowden speaks very fantastically with respect to the 8,000 articles that were to be put on the free list, and states that the same list was submitted to the Conference in three different schedules.

Under the agreement the tariff is supposed to be adjusted on a competitive basis, in relation to the cost of production. A Tariff Board is to be set up for the settlement of differences that may arise between Canadian manufacturers and British exporters, but the final decision will always rest with Parliament. Now, I wonder how much is likely to be gained by any British exporter who appears before the Tariff Board, while we have a high tariff Government in power at Ottawa. I am not saying that there is much to complain about in this respect, but I am certain not much will be gained.

In another place a list was given to show the duties that applied against certain commodities during previous administrations, as compared with the tariff that will be in effect under the agreement. I imagine those figures are correct, as they have not been denied, and I will quote a few of them.

Cotton Printed Piece Goods	
	Per cent
Meighen Government..	25
King Government..	18
Conference agreement..	58.5
White Cotton Flannelette	
Meighen Government..	17½
King Government..	15
Conference agreement..	52
Wool Piece Goods	
Meighen Government..	30
King Government..	24½
Conference agreement..	64
Wool Overcoating	
Meighen Government..	30
King Government..	24½
Conference agreement..	93
High Grade Suitings	
Meighen Government..	30
King Government..	24½
Conference agreement..	68
Hosiery, Wool	
Meighen Government..	25
King government..	18
Conference agreement..	24½
	82
Blankets	
Meighen Government..	25
King Government..	20½
Conference agreement..	78
Axminster Carpets	
Meighen Government..	25
King Government..	22½
Conference Government..	80

We are not very much interested in Axminster carpets in Western Canada, as a rule.

Hon. Mr. LAIRD: May I ask the honourable gentleman whether he can tell us where to find in the tariff the items to which he is referring? What are the numbers of the items on which duties as high as 80 and 90 per cent will be imposed?

Hon. Mr. FORKE: I am quoting figures that were given in the other House and have not been contradicted.

Hon. Mr. LAIRD: But what is the honourable gentleman reading from? I have read the tariff and I know it contains no rates as high as 80 and 90 per cent. I defy the honourable gentleman to show me any such figures in the tariff.

Right Hon. Mr. MEIGHEN: He is reading what somebody said.

Hon. Mr. FORKE: And something that was never contradicted.

Right Hon. Mr. MEIGHEN: You cannot contradict everything that some blather-skite says.

Hon. Mr. FORKE: I do not think anyone could figure exactly what the duties would be.

Right Hon. Mr. MEIGHEN: They are in the treaty right before us.

Hon. Mr. GRIESBACH: Whose speech is the honourable gentleman quoting?

Hon. Mr. FORKE: I imagine that if the figures I have read were not correct, they would have been corrected in the other House.

Hon. Mr. LYNCH-STAUNTON: I think the honourable gentleman's informant has let him down.

Hon. Mr. FORKE: There has been no contradiction of the man who gave the figures.

Right Hon. Mr. MEIGHEN: Perhaps he was irresponsible.

Hon. Mr. DANDURAND: Has my right honourable friend examined into what pyramiding means?

Right Hon. Mr. MEIGHEN: There is no pyramiding here; the definite schedule is here.

Hon. Mr. FORKE: I do not think you can make out from the schedule what the definite duties are.

Right Hon. Mr. MEIGHEN: Certainly you can. You need only to be able to tell figures from nonsense.

Hon. Mr. FORKE: Is the Minister of National Revenue to be deprived of power to levy certain charges?

Right Hon. Mr. MEIGHEN: The duties on the articles referred to by the honourable gentleman are stated here in the schedule.

Hon. Mr. FORKE: I am simply quoting from the Commons Hansard. If it is wrong, that is all I can say.

Hon. Mr. LAIRD: I think I can help the honourable gentleman, if he will permit me to do so. It seems to me that the figures he quoted are not the actual customs duties, as he said they were, but are the duties plus certain additions, such as for exchange and other items.

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Hon. Mr. FORKE: I have no doubt that is correct.

Hon. Mr. LAIRD: Then those figures do not represent the customs duties.

Hon. Mr. FORKE: Well, they represent the charges that the importer has to pay.

Hon. Mr. GRIESBACH: Is the honourable gentleman going to continue to quote?

Hon. Mr. FORKE: I will go on with my speech, anyway. With regard to the preferences given to Canada by Great Britain, I regret very much that the Mother Country has departed from the policy that she had so long followed and has adopted that of protection. It was by making this change that she was able to place the Dominions in a preferred position. It may ultimately develop, owing to unsettled conditions in Great Britain, that we might have been further ahead if we had increased the preference on British goods and continued to have free access to British markets for our primary produce. The right honourable gentleman from Eganville (Right Hon. Mr. Graham) has pointed out very clearly that for many years all our primary products have entered Great Britain free, while other commodities have entered under low duties. Surely Canada has enjoyed a good market in the Old Land for many years, and surely it was as little as we could do to give some preference to British goods. The honourable gentleman from Montarville (Hon. Mr. Beaubien) has said it required a great deal of courage to ask for a preference in Great Britain. But I look at the matter in a different way. I think that in consideration of the free market we have been getting in Great Britain we should not have been too generous if we had given a preference without asking anything in return. However, we have got protection for our goods, but I am not sure that it will prove to be of very much value.

Perhaps the protection that is to be given to wheat, under the agreement, might be considered in some quarters to be an advantage of first importance. A duty of six cents a bushel is to be placed upon foreign wheat entering Great Britain, and our wheat has a preference to this extent. But we are told that Canadian wheat must be sold at the world price. The Prime Minister has made it plain that Canadian producers will not get one cent more because of this preference, and the Right Hon. Stanley Baldwin has said that the British people will get cheaper food than they ever got before. With a normal crop Canada will have a large quantity of wheat

to sell on the markets of the world, outside of Great Britain. I am not going to go into this question, because it has been discussed at great length in another place and I think all honourable members are well posted as to the situation. The United States, the Argentine, Australia and a great many other countries will be pouring their wheat into Great Britain, and it is very difficult to say what the world price will be. I feel certain that although the agreement may result in certain benefits to us, we shall get no advantage with respect to the price of our wheat.

Hon. Mr. SHARPE: The United States growers cannot ship their grain into Great Britain without paying six cents a bushel on it.

Hon. Mr. FORKE: But still they may be able to ship it in. I am not going further into the matter at this time. Neither the Prime Minister nor anyone else has been able to explain to what extent our farmers will benefit by this preference of six cents a bushel. I have too much British blood in my veins to speak in a derogatory way about any agreement that might be of benefit to this country and the British Isles, and I can only hope that the final results will prove of some value.

We are to get a preference on bacon to the extent of free entry of 2,500,000 hundred-weight, but I do not know whether we shall profit much by that. However, we take it for what it is worth, and I only hope that the price of bacon will increase. I notice that the Minister of Agriculture no longer tells farmers to raise more hogs, but advises only that nothing but the very best quality of bacon be produced. It is very good advice, but I doubt very much that we shall ever be able to capture the British bacon market. A few years ago I visited the bacon packing plants in Denmark and saw the type of bacon hogs. From time to time we have been encouraged to raise a type that will produce a better quality of bacon. I have seen just as fine pigs on the St. Boniface market as I saw anywhere in Denmark. But the Danish farmer has the advantage of being only a comparatively short distance from the British market, and I think he will be able to pay the tariff duty and still compete successfully with the Canadian producer. I do not say this to discourage Canadian farmers from raising pork for the British market—they have enough to discourage them at the present time—but that is my candid opinion from personal observation.

I am very glad to know that Great Britain has removed her import restrictions against our cattle. We were told that these restric-

tions were enforced to guard against the importation of diseased stock, but I think most of us suspected that this was not the real reason. The Canadian cattle trade will be benefited by the removal of the restrictions, especially if the tariff troubles continue between the Irish Free State and Great Britain. When overseas a few years ago I had an opportunity of visiting several farms in Scotland during the month of June, and I found that on almost every farm Irish cattle were being fattened on grass with the addition of a small cake ration. They were very fine cattle; indeed we do not raise any steers that I should consider better. The removal of the restrictions may also help to improve the price of stocker cattle, that is, cattle needing finishing. Heretofore no cattle could be shipped to Great Britain unless in the finished state.

I regret that the whole structure of these agreements is built upon the principle of higher protection. I had hoped that Canada would lead the way towards lower tariffs. The whole world seems to be agreed that the high tariff walls which every country has erected are the main factors in the present economic situation. Leading statesmen and economists are agreed that the depression is to be attributed largely to the blocking of the avenues of trade by the erection of high tariff barriers, brought about by national jealousy and fear. Indeed, I think fear is a very important factor in the present economic situation. To my mind tariffs play much the same part as armaments. All nations to-day are crying out against excessive armaments and urging that they be reduced, but no nation is prepared to take the lead. So it is in regard to tariffs: all nations deprecate high tariffs, but each hesitates to lower its tariff, because it is afraid of its neighbours.

I desire to refer to economic conditions in the Western Provinces. The purchasing power of Western Canada has dropped almost to zero. I repudiate any suggestion that the people of Western Canada are hostile towards our manufacturers, although that charge is frequently levelled at us. I am always glad to be able to buy goods manufactured in our industrial centres. But what is the use of producing goods that cannot be sold? The reduction of the purchasing power of our people is bound to react disastrously on our manufacturers, and I am convinced that until we remove the disparity between the prices that the farmers have to pay for the goods they buy and the prices they receive for the goods they sell, we shall never enjoy real

prosperity. However much the Government may boost our manufacturing industries, while the farmers have to sell their products at world prices I do not think this agreement can help Western Canada to sell the products of the farm in foreign markets. On the other hand, our manufacturers will find themselves hard put to it to meet competition in Great Britain, and this agreement will not be of any use to them in foreign markets.

Recently while reading the life of Lord Rosebery I came upon a passage that I think might well be pondered by honourable members at this time. I may say that when Lord Rosebery was at the height of his political career I was a young man and took a very keen interest in British politics. The speech of which this is an extract was delivered fifty years ago, before an audience in Australia:

It seems to me that hand in hand they—the British nations—may yet follow up a career of usefulness to mankind—led by those common and eternal principles of justice which alone can exalt and sustain a nation, which we proudly boast and humbly hope have long guided and sustained the British Empire, which have been the pillar of cloud by day and the pillar of fire by night, that have guided us to many achievements, and through so many troubles.

I believe that every day we remain united we shall be less anxious to part.

I believe that every day we remain united it will be considered more desirable that we shall continue so, not merely for our own selfish interests, but for the interest of humanity at large. I believe the connection of the British Empire will remain—that it is desirable for civilization that it should continue to exist. I confess that each day we live we shall be more and more unwilling to see this ancient Empire of ours—raised with so much toil, colonized with so much energy, cemented with the blood and sweat of so many generations—pass away like a camp struck noiselessly in the night, split into isolated and sterile communities, jealous among themselves, disturbed by suburban disputes and parochial rivalries.

Now I do not pretend to define for a moment what is the basis on which the British Empire rests. I do not believe that such a conglomeration has ever been seen since the world began, and I don't believe that any one here or outside this room can give any satisfactory account to the logical mind of the basis on which the Empire rests, because it is not a matter of compact or civil contract. The connection between Great Britain and the Colonies is a marriage of the affections or nothing at all.

It is a sad mistake to imagine that the British Empire can be held together only by trade agreements of this kind. Each component part of the Empire must be left to make its own arrangements and to follow whatever line it thinks most to its benefit. The more you try to bind the Empire together by means of trade agreements, the

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more likely you are to have friction. I for one believe that the ties of blood, the ties of history, the ties of common traditions, will always prevail. Since Lord Rosebery spoke, fifty years ago, the British Empire has on many occasions demonstrated its inherent strength to meet changing world conditions, and I do not see why the Mother Country and the sister Dominions should not continue to bless the world by their example of just and righteous dealings with one another.

Right Hon. Mr. MEIGHEN: Honourable gentlemen—

The Hon. the SPEAKER: All honourable members who desire to speak should do so before the mover closes the debate.

Right Hon. Mr. MEIGHEN: I have no desire whatever to ask for any special concessions in my favour. It is true that I appear nominally as the mover of the motion, but in that capacity I have said nothing. However, if you, Mr. Speaker, desire to invoke the rule, I am content.

Hon. Mr. DANDURAND: Does the right honourable gentleman desire to close the debate? Other honourable members have risen and desire to speak.

Right Hon. Mr. MEIGHEN: No. If anyone prefers to speak now it will not impinge on my patience in the least; I am ready to wait.

Hon. H. H. HORSEY: Honourable members, I am sure we have all listened to the debate with a great deal of interest. I am always glad to hear my honourable friend from Montarville (Hon. Mr. Beaubien), for I am an admirer of his talents and eloquence, but, without wishing to be personal in any way, I think the criticism of that speech by the right honourable member for Eganville (Right Hon. Mr. Graham) was, in some respects, well founded. My right honourable friend from Eganville in his very strong and eloquent speech conclusively answered the somewhat partizan declaration made by the honourable member for Montarville.

But in one respect I must differ from my right honourable friend. I am not just mildly opposed to this Bill; I am opposed to it practically in toto, because it seems to me that we ought to maintain our fiscal freedom. We are, of course, all for preference to increase trade within the Empire, but many of us differ with respect to the methods to be adopted to bring about that laudable end. I repeat, honourable members, that we should

maintain our fiscal freedom. Let us have all the conferences you like, but let it be understood beforehand that as a family of nations we come together for consultation only, to explore all the avenues of trade, and that we bring our trade experts together to pool their experience and information for the welfare of all the component parts of the Empire. Let us have a full and free exchange of ideas, and then let each representative go back home and advise his Government to take whatever action may be decided on to increase trade with other parts of the Empire. This agreement is for a fixed term of years. It is, in my opinion, an agreement to interfere in one another's affairs. It is an agreement to restrict one another's operations in certain ways.

In everything I say this afternoon I desire to deal with the subject from an independent standpoint. I am not going to try to defend all that our party has done throughout its history. Every party, as we know, makes mistakes. Outside this Chamber we can take up the various matters involved in this agreement and deal with them in a party spirit; but in the remarks I am about to make I shall try to approach the Bill from a different angle.

Those who support this Bill and these trade agreements, which are before us for consideration, do so for two main reasons. First, they claim that these agreements will help to strengthen the unity of the British Empire. Some go so far as to assert that the Empire bonds are growing thinner and weaker, especially in the Dominions, and these agreements are required to keep them from breaking.

In the second place, supporters declare that the pacts, if given a reasonable trial or test for a sufficient time, would prove profitable to Canada, Britain and other parts of the Empire. They are very indefinite as to time required for test, but some state one year will suffice, others a couple of years, still others think five years, and some that it will take ten years to test them properly, and that the agreements should be for that period.

Let us examine these two positions. First, will the agreements tend to strengthen the unity of the Empire? My reading of history and my study of these agreements teach me that they will not, but that the very reverse will happen. We must remember this is not the first time that we have had British preferential tariff arrangements. Indeed, we tested them out for many years, and they proved a dismal failure at that time.

During our latter colonial days down to the year 1849 there were preferential arrangements between Great Britain and the colonies. True, it was before Confederation and applied

only to united Canada and to the colonies which we now know as the Maritime Provinces. And that arrangement came about in a different way: it was made and imposed upon us by Great Britain herself. What was the basis of those preferences that we then tried out? We gave to Great Britain a preference on her manufactured products. We are doing that by this agreement. In return Great Britain gave to our farmers a preference on their wheat—a real preference without any nullifying clause that it must be sold at world prices. She gave us a similar preference on timber and flour. At that time wheat could be brought into this country from the United States at a very low rate of duty, and could be ground into flour here and exported to England as Canadian flour, thus getting the full preference. These particular industries flourished at that time. But I want to ask honourable gentlemen how the preferences resulted in the end? How did they affect the British people? How did they affect the Canadian people?

First of all, how did they affect the British people? At that time there was a corn law, and as Britain will have to have a corn law if she is going to give a preference to the Dominions, the situation will be virtually the same. Under the preferences formerly given to us by Great Britain the prices of food gradually rose until a large proportion of the population of Britain was on the verge of starvation; food riots occurred throughout the land, and the preferences became so burdensome that the Government which had granted them had to cancel them altogether. I submit, therefore, that after a real trial the preferences turned out very badly so far as the British people were concerned.

How did they turn out for us? When these preferences were cancelled the Canadian millers and farmers and lumbermen were greatly disappointed; in fact, they became so enraged by the cancellation that I think we may say that it was one of the main causes of the only serious movement for annexation that we have had in our whole history. Many of our people at that time wished to dissolve the bonds of Empire, change their allegiance and join with the people of the United States. That was a very bad experience so far as the binding together of the Empire was concerned.

How did this all turn out as a matter of trade? It is true that under the preferences certain of our industries flourished to a considerable degree. I think that we had the better side of the bargain, and when the British Government withdrew there was great chagrin over the situation. But our people

continued to carry on, and they gained their fiscal independence and freedom, and it was only a few years later, in 1854, when Lord Elgin was Governor, that they were able to make a reciprocity treaty with the United States. Then for eleven years we had the greatest development of wealth and extension of trade that had occurred up to that time, and a prosperity far exceeding anything that had resulted from the preferences themselves.

That is an historical review of a fair and square trial of British Empire preferences. Let us apply the lessons to be learned from that to the agreement that we now have before us. If, by this agreement between Great Britain and Canada, Britain puts a tax on the food of her people—on wheat, butter, cheese, milk products, poultry, eggs and fruit—as some people say it does, are not the British people going to feel the results, more especially when exchange reaches a parity, and when the issue of free or taxed foods is concretely and specifically put before them at the next election are they not going to show their disapproval? We must not prophesy, but past experience shows us that whenever the issue was placed before the people they voted for free food; and we know that it was when they had free food and freedom of trade that Great Britain, with her 40,000,000 people, became the wealthiest and greatest trading nation in the world. For seventy-five years she accomplished a development that has never been equalled by any other nation with similar resources and with a population living within such a restricted area.

If, on the other hand, these agreements do not place a tax on food, what then? Where are our exporters of food and raw materials to look for their markets? If they do not get preferred treatment for their exports in the British market, that market is of no value to them, so far as preferred price is concerned.

In the clauses of this agreement there are many restrictions that any man of common sense can discover by reading them over—restrictions which are likely to cause trouble and friction and disagreements between the peoples of the British Empire. I purpose reading just two or three of these clauses before commenting on them.

Article No. 10 of the trade agreement with the United Kingdom reads as follows:

His Majesty's Government in Canada undertake that protection by tariffs shall be afforded against United Kingdom products only to those industries which are reasonably assured of sound opportunities for success.

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Article No. 11 says:

His Majesty's Government in Canada undertake that during the currency of this agreement the tariff shall be based on the principle that protective duties shall not exceed such a level as will give United Kingdom producers full opportunity of reasonable competition on the basis of the relative cost of economical and efficient production, provided that in the application of such principle special consideration shall be given to the case of industries not fully established.

Then Article No. 12 says:

His Majesty's Government in Canada undertake forthwith to constitute the Tariff Board for which provision is made in the Tariff Board Act, 1931.

And, finally, Article No. 13 says:

His Majesty's Government in Canada undertake that on the request of His Majesty's Government in the United Kingdom they will cause a review to be made by the Tariff Board as soon as practicable of the duties charged on any commodities specified in such request in accordance with the principles laid down in Article 11 hereof and that after the receipt of the Report of the Tariff Board thereon such report shall be laid before Parliament and Parliament shall be invited to vary wherever necessary the Tariff on such commodities of United Kingdom origin in such manner as to give effect to such principles.

What do these clauses mean? I think it would be impossible for anybody to say, because the interpretation put upon them by one man would differ from that put upon them by another. But Article 13 speaks of the appointment of a Tariff Board; and no matter how good and strong and able may be the men who are appointed to that Board, it will be a Tariff Board of Canadians. Are we going to be the judges of our own disputes? Are we going to have our own judges try the differences that arise between England and Canada in regard to tariff matters? I can see there, honourable gentlemen, a very fruitful source of trouble in the near future. How can those tariff commissioners settle accurately what constitutes reasonable competition, or what is the relative cost of production of various articles produced here and in Britain? When a case comes before the Tariff Board for a finding of facts, or an interpretation of them, no matter how sincere our tariff commissioners may be—and I know we shall have good men—the fact that they are Canadians will, it seems to me, open the door to unconscious partiality and to the possibility, almost the certainty, that the decisions of the Board will be unsatisfactory. This will not be conducive to the cordiality and harmony and good-will that have prevailed up to the time of the making of the fixed bargain represented by this Bill.

Our whole development has been towards greater freedom. It has been a steady march forward, unhampered by restrictions and conditions, until politically we are absolutely free to manage our own affairs within and without the country. We gained our fiscal freedom and independence, as I showed, in 1849, when the then existing preference was done away with as a failure. Fiscal freedom and independence enabled us to make trade agreements with any country we wished, and in any way we desired; and under that system we have become, with ten million people, one of the leading trading countries of the world. We should not forget, I think, that it was under political and fiscal freedom that we came triumphantly through the greatest test that the Empire has ever been called upon to bear, the Great War, and were able to withstand the ordeal when other empires, bound by greater restrictions, went to pieces.

At 6 o'clock the Senate took recess.

The Senate resumed at 8 p.m.

Hon. Mr. HORSEY: Honourable members, before six o'clock I was endeavouring to show that this trade agreement between the Mother Country and Canada would not tend to strengthen the bonds of unity throughout the Empire, as some of its supporters have claimed it would. I referred to an historic instance where British preferences became one of the main causes of the only serious annexation movement that we have ever had. I also sought to show that the attempt to carry out the meaning and purport of certain clauses of the Bill, especially those clauses relating to the powers of the proposed Tariff Board, would almost inevitably lead to disappointment, friction and disharmony as contrasted with the cordial good-will that has always existed under a voluntary system.

My honourable friend from Montarville (Hon. Mr. Beaubien) spoke of a one-sided agreement. I do not wish to enter into any political controversy, but I would remind him that the agreement of which he spoke was continued in effect after his own friends were in power.

Supporters of the present agreement contend that if it is given a reasonably fair trial it will prove profitable to Canada, to Britain and indirectly to other countries. Well, how can it, when to a considerable degree it is based upon increased tariffs? The Bill does not even pretend to create new or additional business, but merely diverts a portion of the Empire's foreign trade into Empire channels.

That is a very laudable and desirable objective if it can be profitably realized. But we have to count the cost of all actions of this kind, and I think we should give careful consideration to the extra burdens that would be imposed upon our people in consequence of such diversion of our foreign trade. Most Canadians are consumers of some goods imported from foreign countries. In all our homes and places of business there are commodities that have been purchased abroad. Some of the many reasons for this situation are: inability to produce certain articles in Canada, the production abroad of some goods at prices lower than are possible here, and the prompt service that is available with respect to some types of machinery and implements. Perhaps I shall be permitted to enlarge a little on the third reason. The owner of an implement made in the United States is able to get any necessary parts at short notice, probably within a day or two if he orders by telephone or telegraph, whereas parts for a machine made in Great Britain or some Dominion might not be procurable without a delay of weeks or perhaps months, unless, as is unlikely, a complete supply were always kept in stock in this country.

Now, the effect of these Bills is to compel Canadians to pay a higher customs duty if they wish to buy any foreign article; in other words, they have to pay a penalty; or they can go to Britain or some other Empire country and buy similar goods, but even though these goods are said to be on the free list, high taxes must be paid. True, they are somewhat lower than the customs duties on foreign made goods, but still they are comparatively high.

Let me put it another way. We will say that we have a body of Canadians wishing, for various reasons, to purchase foreign goods, and also to buy more freely within the British Empire. Those people are confronted with two high tariff walls. One, for convenience, we will call the foreign wall—an extremely high wall and very difficult to scale. Then we have the other wall, the British Empire Preference wall, almost as high as the foreign wall in the textile schedule, for example, and very low in no particular whatever, so far as taxation is concerned. There is not an article in these schedules that comes in free of taxes; every commodity from Britain and the other Dominions of the Empire must pay a heavy tax.

Hon. Mr. BALLANTYNE: Linens and cutlery are put on the free list.

Hon. Mr. HORSEY: What about the 3 per cent excise? What about the dumping or exchange duty, which averages from 15 to 20 per cent? What about the sales tax of something like 20 per cent on goods from Great Britain that are said to be allowed free entry? You can call them whatever you like, but they are taxes that all our people have to pay on every article from Great Britain or any other part of the Empire.

There are really three high walls, but I wish to emphasize only two. There is the intermediate high tariff wall as well as the other two that I have already mentioned. Behind these three high tariff walls we have our manufacturers carrying on their operations and enjoying what amounts to a monopoly of the Canadian market. I ask honourable gentlemen, do you think that is going to be to the advantage of our people who want to buy Empire goods more and more freely? I submit that it is wholly against the national interest. Not only do we tax our people in every direction, but these three high walls shut out imports.

Hon. Mr. LYNCH-STAUNTON: Are these new taxes that the honourable member is speaking about, or did they exist before the agreement?

Hon. Mr. HORSEY: I am not going to enter into an argument as to whether our party is responsible for high or low taxes. I say some of these tariff duties on the items covered by the agreement have been raised since 1930.

Hon. Mr. LYNCH-STAUNTON: But I inferred that these are new taxes created by the agreement.

Hon. Mr. HORSEY: No, I do not say that. I say some of them have been raised higher than they were before 1930. I repeat, we have now three high tariff walls: the general, the intermediate and the British preference. Behind these three high tariff walls the Canadian manufacturer has virtually a monopoly of the Canadian market. I submit that this simply penalizes those who desire to buy imported, rather than pay too high a price for Canadian goods. These walls have been erected for a purpose—to shut out foreign goods, and in many cases Empire goods, which the people would find it very profitable to buy.

If we shut out these imports, if we will not buy freely from foreign or from Empire countries, it means that we shall not be able to sell freely to those countries. Exports are paid for by imports. If our farmers cannot freely sell their surplus food products to

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foreign countries or to our sister Dominions, their purchasing power will shrink so much that eventually our manufacturers will find they have no home market. The lower our purchasing power, the fewer goods the manufacturer produces; the fewer goods he produces, the less labour he requires in their production; and the final stage is an increase of unemployment with all its attendant distress. So in the end every class of the community is adversely affected. The whole economic machinery of trade slows down, both imports and exports decrease in volume, for lack of purchasing power our factories close down, and in a short time there is a lamentable increase of unemployment. If the circulation of the blood is defective the body becomes anemic. And so with trade: if circulation of trade is impaired, all classes in the community are adversely affected—farmers, labourers, clerks, professional men, manufacturers; at last they are all drawn down into the deepest depression, into what is now beginning to look like a bottomless pit. Instead of opening up trade channels with our sister Dominions and foreign countries by lowering duties and taxes, we have followed the opposite course, with the result that I have indicated.

There are many features of these Empire pacts open to attack, but I do not intend to refer to them all. Nor do I wish to confine my remarks to negative or destructive criticisms; I would rather try to suggest something constructive. The destruction and dislocation occasioned by the Great War, the aftermath of senseless speculation indulged in by many of us, and the extreme nationalism expressed in higher and higher tariffs—some of them perhaps justified as emergency measures to preserve credit and exchange—these are, as we all know, some of the main causes of this great, world-wide depression.

Nearly all persons agree that freer trade is profitable when practised by inter-trading countries. Should we not, then, as Canadians turn away from this false objective of economic warfare and lead the way towards trade revival by announcing our willingness, first of all, to clear the channels of trade within the British Empire by a substantial reduction of duties and taxes all along the line—a reduction that would admit British goods to our markets more freely and give relief to the great body of our suffering producers and consumers, and also more competition to our manufacturers as a spur to their efficiency and self-respect?

The most eminent economists and statesmen in all countries declare that the greatest step the different countries of the world can

take to help back prosperity is to start trading among themselves by the lowering, or abolition where possible, of the high customs duties they impose against one another.

In the face of this the most tragic of all world depressions, when international trade is crippled and blocked, with the result that credit and currency values have been seriously affected, when transportation has dwindled and as a result unemployment and distress are the lot of so many millions in the world to-day, it is surely time to seek within and without the Empire to apply the healing remedies of peace and good-will, to drop the economic armaments of embargoes and high, exclusive tariffs, and for Canada at least to let it be known to all peoples with whom she trades that she is prepared to sit down with any of their representatives and try to work out mutual agreements along voluntary and freer lines.

We should give up mumbling about Imperialism and at the same time striking selfish, fixed bargains through conflicting interests, with high tariff protection prominent in the picture. Let our country work to eliminate mutual tariff fighting, and profit by the lesson proved from this great world experience—that all high tariff combatants, no matter how bold and blustering a front they exhibit, are on the same road to stifled trade and increased unemployment. Let us here in Canada give a lead to the coming World Economic Conference and sound the bugle call for a tariff armistice which will precede a revival of trade intercourse based upon international tariff disarmament.

Hon. P. J. PARADIS: Honourable members, I do not intend to discuss at length the provisions of this Bill, because I believe that during the last few weeks enough has been said in another place fully to acquaint most of us with the merits or demerits of the measure. In fact, every clause of the Bill, as well as every item of the different schedules, has been examined, closely scrutinized, and dissected to such an extent that my imagination fails to find a fresh argument to advance or a new form in which to present it. I therefore purpose to limit my remarks to the single item of asbestos.

Asbestos is one of the few items that appear both on the list of concessions that we received from the Government of the United Kingdom and on the list of concessions that we made to them. On referring to page 53 I find in schedule C, between the words "Other Fish, canned," and "Zinc," the word "Asbestos." This, I am informed, represents asbestos in its raw state, that is, asbestos fibre.

During the past year asbestos fibre has been admitted to England free of duty. On the 15th of the present month the concession was extended for a period of five years. This means that for the next five years Canadian asbestos fibre may be imported into the United Kingdom free of duty. A similar concession is extended to Rhodesian fibre. The only other country producing asbestos fibre to any extent is Russia. So according to this agreement Russian asbestos fibre is subject to a duty of 10 per cent ad valorem; that is all. Small deposits of asbestos fibre are found in the states of Arizona and Vermont, and in Cyprus, but not in sufficient quantities to compete with our raw product.

Now, what benefit are we going to obtain from this concession? It may surprise honourable members to hear that we cannot compete in the English market with Rhodesian asbestos, for the simple reason that asbestos fibre in Rhodesia is produced by kaffirs, who are paid at the rate of a shilling a day, whereas the Canadian wage scale is about \$2.50 a day. It may be urged that on account of the long distance from Rhodesia to England we might get some advantage in freight. The latest figures I have obtained from England show that the freight from Rhodesia to London is \$18.50 a ton. From Thetford, Quebec, we have to pay a freight rate of \$16.50 a ton. This advantage of only \$2 a ton is not sufficient to overcome the competition of the Rhodesian producers. Russia, as might be expected, can meet our competition. The asbestos producers of that country quote prices from 10 to 20 per cent below ours. Therefore we shall not get any advantage at all from the concession made to us by the British Government. While we enjoyed this concession last year we obtained no increase of business.

Now, as to the concessions that we made, another situation presents itself. I refer to article 312, on page 69 of schedule E, which reads as follows:

Asbestos in any form other than crude, and all manufactures thereof, when made from crude asbestos of Empire origin: British preferential tariff, free; intermediate tariff, 22½ per cent; general tariff, 25 per cent.

We manufacture a large variety of asbestos products, ranging all the way from asbestos cement to textiles and packings. By asbestos-cement products I mean shingles, flat sheets and corrugated sheets, all of which have been manufactured and used extensively in this country for years. The shingles are used for roofing and siding, the flat sheets for walls, and the corrugated sheets for steel-framed structures like grain elevators. You will see them on the grain elevators in Montreal, Van-

couver, Quebec and elsewhere. If the duty of fifteen per cent previously imposed on British goods coming to this country is being removed, and the product of British manufacturers can be imported into Canada free of duty, I maintain that the Canadian manufacturers cannot meet the competition. I am surprised that the Government let this pass, the policy in this regard being so different from that followed in relation to other articles. My friends have been complaining of higher tariffs all the time; in this case I am complaining of a low tariff. I do not see the logic of it. It would seem that the Government had become, if not a free trade Government, at all events a low tariff Government.

I am speaking as one who has had some experience. Although I am not interested in this business, I am familiar enough with it to state that if the business of manufacturing these products in this country is not completely ruined by the free entry of British asbestos products, it will be greatly injured.

Hon. Mr. POPE: Do they make finished asbestos products in England?

Hon. Mr. PARADIS: In England there are large manufacturers of asbestos products. Most of the trade is controlled by the firm of Turner-Newhall, who have a very large business. They are operating with Rhodesian mines; so they have the benefit, which we have not, of a low fibre cost and a low cost of labour in manufacturing. These are my reasons for claiming that our business will be greatly injured, if not ruined, should the present provision be permitted to remain.

I am told that the Government, or some member of the Government, admitted that a mistake had been made in this case, and I have brought up the question here with the intention of asking my right honourable friend (Right Hon. Mr. Meighen) to place the situation fully before the Government. I am actuated by a desire, not to criticize, but simply to make known the situation and make my appeal.

Hon. Mr. LAIRD: Why do you not appeal to our friend from Prince Edward (Hon. Mr. Horsey) and get his assistance in the matter?

Hon. Mr. HORSEY: He wants a higher tariff.

Hon. Mr. PARADIS: In any event, this is as far as I wish to go, and I leave my case in the hands of the right honourable leader of the House.

Hon. W. H. SHARPE: Honourable members, there seems to be considerable dispute as to whether or not this is a good deal for

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Canada. I wish to discuss for a short time the agricultural end of the question, and to say that this is the kind of deal I have been looking for during the twenty-four years that I have been in Parliament.

This agreement opens to the farmers of Canada the great market of the United Kingdom. Personally I think it is the best deal ever consummated within the British Empire, or, in fact, any other empire.

Right Hon. Mr. MEIGHEN: Hear, hear.

Hon. Mr. SHARPE: There are some who strongly advocate making a new deal with the United States. My honourable friend from Prince Edward (Hon. Mr. Horsey) does not want this deal at all, though at one time he was strongly in favour of reciprocity with the United States. The United States is not our natural market. That country grows and exports the same kinds of products that we do.

Right Hon. Mr. MEIGHEN: Except asbestos.

Hon. Mr. PARADIS: Quite right.

Hon. Mr. SHARPE: There is no use in looking to the United States for markets, because no sooner have we properly established ourselves in order to export to them than up goes their tariff and we are shut out.

I should like to take a few moments to show how the United States have raised the tariff against Canada at every opportunity. They have raised their tariff on four different occasions during recent years. In 1913 there was the Underwood tariff, in 1921 the Emergency tariff, in 1922 the Fordney tariff, and in 1930 the Hawley-Smoot tariff. These tariffs work in this way. In 1913 our cattle entered the United States free; to-day we pay three cents a pound. Hogs were free in 1913; to-day we pay three dollars apiece on them. Chickens and geese paid one cent a pound in 1913; to-day they pay eight cents a pound. In 1913 the duty on other poultry was two cents a pound; to-day it is ten cents. Beef and veal were free in 1913; to-day they pay six cents a pound. Pork was free in 1913; to-day the duty is two and a half cents a pound. Eggs were free in 1913; to-day they pay ten cents a dozen. Butter paid two and a half cents a pound in 1913; to-day it pays fourteen cents a pound. These figures show that at every opportunity they raised the tariff against us and shut out our products.

Now, I want to show how the tariff of 1930 affected the people of this country. In 1930 we shipped 236,000 head of cattle to the United States; in 1931—after the Hawley-

Smoot tariff came into effect—we shipped 39,000 head. In 1930 we shipped 26,000 pounds of chilled or fresh meat; in 1931 the quantity was reduced to 3,000 pounds. In 1930 we shipped hog products to the extent of 5,000,000 pounds; in 1931 we shipped only 2,000,000 pounds. In 1930 we shipped 900,000 pounds of pickled pork; in 1931 this was reduced to 125,000 pounds. In 1930 we shipped live poultry to a total of 54,000 birds; in 1931 we shipped 4,000 birds. In 1930, of dead poultry, we shipped 660,000 birds, and in 1931 only 98,000. Why we should continue to look to the United States for a market for our goods is more than I can understand.

There are many items on which the farmer gets a preference in the British market under this Bill, but I will deal with only a few of them. We get a preference on wheat of six cents a bushel; on wheat flour of ten per cent; on barley ten per cent; on poultry ten per cent; eggs ten per cent; cheese fifteen per cent; butter three cents per pound; apples one dollar per barrel; lumber ten per cent; lead ten per cent; zinc ten per cent and copper four cents a pound.

By reason of the splendid work of our delegation, the embargo was lifted from our cattle. We are getting a quota of 280,000,000 pounds of hog products and are being put on the same footing as the British grower.

Many say that the wheat preference does not amount to anything, but I will tell you what it means to the people of this country. If a Canadian loaded a vessel with 300,000 bushels of wheat in Montreal and took it to Liverpool, and there it met a Russian vessel, or a vessel from some other foreign country, with an equal cargo of grain, what would happen? The Canadian vessel would be unloaded free; but before a single bushel could be unloaded from the foreign vessel \$18,000 would have to be paid. I regard that as a pretty substantial preference in the British market.

As to our quota of hog products, amounting to 280,000,000 pounds, with our cheap Western grain—wheat, oats and barley—we can supply this quantity to the British market; and even if my honourable friend from Brandon (Hon. Mr. Forke) had some doubt about the quality of our hogs—

Hon. Mr. FORKE: No. I said they were just as good in St. Boniface as in Denmark.

Hon. Mr. SHARPE: I beg the honourable gentleman's pardon. I have been talking to packers in this country who tell me that when our hams and bacons are properly cured they secure a premium in the British market. Our

great trouble has been the embargo against our cattle. This is now removed, and if our farmers will turn to the production of cattle and hogs they can use a great deal more of their land for raising coarse grains instead of wheat, and we shall not have such a great surplus of wheat year after year.

What a wonderful deal this would be for the farmers of this country if conditions were only normal! But conditions are not normal, and the price of everything grown and raised by the farmers has never been at such a low ebb. In addition to this, for every carload or shipload that we send to Great Britain there is a discount of from twenty-five to thirty per cent on every dollar that comes back. We are therefore deprived of a great deal of the benefit secured for us by the Prime Minister at the Imperial Conference.

I should like honourable gentlemen to consider for a few moments the conditions in the West. I speak of the West because I know the conditions there much better than in the East. Five years ago it took the price of one-eighth of a car of wheat to pay the freight on that car; to-day it takes the price of half a car of wheat to pay the freight. Farmers to-day are selling wheat as low as twenty to thirty cents a bushel, barley at from eight to fifteen cents a bushel, oats at from six to ten cents a bushel, chickens at one cent per pound, good turkeys at from thirty-five cents to a dollar each, sheep at thirty-five cents per head, and beef at one cent a pound.

Referring now to the selling agency of the Wheat Pool, of which Mr. John I. McFarlane is manager, I may say that there has been some criticism of the Government in guaranteeing to the banks the sum necessary to handle the wheat. But if there had not been some steadying influence in the rush season of the year, the price of wheat at country points would have been down to ten cents a bushel. What the Government did meant a great deal more than would any bonus that could have been given. Every farmer in the West should thank the Government for what it did in this connection.

If a farmer had borrowed \$5,000 in 1929, when wheat was at one dollar a bushel, he could then have paid off the loan with 5,000 bushels of wheat; but with wheat selling at twenty-five cents a bushel, as it is to-day, 20,000 bushels would be required to pay off this loan. Mr. S. J. Gibson, of St. Charles, Manitoba, took 51 chickens, having a total weight of 324 pounds, or about 6½ pounds per bird, to the Harris Abattoir, and he received for them a cheque for \$3.24, or one cent a pound. I have another statement, with reference to a

man who sold eight steers, weighing 5,000 pounds, to the Harris Abattoir, for which he received, after expenses were paid, \$49.80, or less than a cent a pound.

With conditions like these, how can a farmer pay anything? He can hardly live. Thousands of farms are being sold for taxes, and in many cases the farmers are losing their homes. Think of the business man who has lost his income, or of the clerk who has lost his job and his salary, and, as in many cases, his home. People in the cities are being taxed to carry the unemployed, and many citizens of moderate means are losing their all. The other day in Winnipeg I met a retired business man who had invested his money in industrial stocks from which, at one time, he received an income of over \$12,000. To-day that man's income has all gone, with the exception of about \$1,000 per year, and he must start all over again.

I cannot believe that the Prime Minister understands the real condition of the people. Our farmers are facing ruin because of the disparity between buying and selling prices. The British pound is now at \$3.60, a discount of 25 per cent. If we went off the gold standard and brought our currency to the level of the British pound, the result undoubtedly would be an increase of from 12 to 15 cents a bushel in the price of wheat; we should get \$20 more for a 1,200-pound steer, and butter, cheese, eggs, pork and all other farm products would command higher figures. Virtually all our important competitors in agricultural products throughout the world, except the United States, have gone off the gold standard. The Australian pound is worth \$2.93, and as a result Australia obtains an advantage over us not only in the British market, but also in the Chinese and Japanese markets, with respect to wheat and flour. The New Zealand pound is worth \$3.33, and therefore the farmers of that country can sell beef, butter and various other products in England more cheaply than we can. Twenty-six nations, including most of those in South America, are off the gold standard, and many of them are our chief competitors in some lines of produce that we sell to Great Britain.

Listen to what some business men say. Bruce Burns, President of Burns Brothers, a firm which has shipped 3,000 head of cattle to Britain this year, declares:

If the pound was anywhere near par we could pay \$20 more on the St. Boniface market for every export steer.

F. N. Baker, of Canadian Meat Packers, states:

In exchange alone we lost \$1.40 on every 100 pounds of bacon hogs.

Hon. Mr. SHARPE.

And J. J. Coyle and Company, produce dealers, say:

The difference in exchange as between Britain and Canada operates as a premium to Australian and New Zealand butter. It is a serious matter, and when the pound dropped to \$4 we stopped exporting butter to Great Britain.

Now take wheat. On October 24 the pound was at \$3.62, and according to Broomhall the Liverpool price that day for No. 1 Northern Atlantic wheat, for October shipment, was 26s. 9d. per quarter of 8 bushels. This worked out at \$4.84 per quarter, or 60½ cents per bushel. If the shilling had been convertible into 24 cents, the price would have been \$6.42 per quarter, or 80¼ cents per bushel. The exchange was taken into consideration in the price of 60½ cents as quoted that day in the Winnipeg papers.

If we were tied up to the British pound we should be getting at least 15 cents a bushel more for our wheat. On this year's crop of 450,000,000 bushels that would mean \$67,000,000. Consider the additional money we should get for our other products that we sell in England, such as other grains, cattle, hogs, cheese, butter, eggs, minerals, and so forth. We could easily have 100 or 125 million dollars more to spend. In other words, we should have so much more money for the purchase of manufactured goods and the payment of debts, and as a consequence the wheels of commerce would be speeded up, a great deal of employment would be made available and conditions in general would be very much improved.

It is stated that we must remain on the gold standard because we owe so much money in New York. But we pay New York in either goods or gold, not with our paper money. The debt of Great Britain in New York is many times greater than ours, yet she is off the gold standard. If we too discarded that standard the United States would increase their purchases from us, and we would buy more from that country. In my opinion the Canadian dollar should be on the same standard with the British pound. If it were, we should get the full benefit of this splendid trade agreement.

I want to tell honourable members that there is no better spirit anywhere in the world than in Western Canada. We have passed through many depressions and have always come out richer and better. In the years to come the West will flourish as it never has done before. But we do not wish to be ground down too hard at present. Give us a chance on an even footing with the rest of the world, and we will fight our way through.

Hon. G. LYNCH-STAUTON: Honourable members, I wish to make a few remarks, not upon the merits of this Bill, but with respect to some of the criticisms that have been levelled against it. Realizing the fallibility of human judgment, I would not vote against this Bill even if I were convinced it was wrong, because the principle of it seems to have commended itself to all Canada. The honourable leader of the opposition in this House—

Hon. Mr. DANDURAND: If opposition there be.

Hon. Mr. LYNCH-STAUTON: The honourable leader of—

An Hon. SENATOR: —the other side.

Hon. Mr. LYNCH-STAUTON: I am glad to know that there is not an opposition here. The honourable leader of the other side has stated that the Government of Canada had a mandate from the Canadian people to negotiate an agreement with the British Government, and that there was a duty to open negotiations to that end. He added that he did not object to the agreement in itself, and he confined himself to criticism of the provision that the agreement shall be binding upon Canada for five years. But my honourable friend does not contend that there were any strings to the mandate. It was a general authorization to negotiate an agreement, and such authorization does not imply that there shall or shall not be a time limit. If I authorize an agent to rent my house, I cannot complain if he rents it for five years; I cannot argue that he should have made the tenant a tenant at will. So far as I can recall, no person warned the Government against making an agreement which would be binding upon Canada for a definite period, and I think it is unreasonable now to complain that a definite period has been set. This agreement is one such as has never before been entered into by any country. It is a new departure, which commends itself to our people.

We know that Parliament can undo what it has done, and the right honourable leader of the opposition in another place has stated he does not consider a new Parliament would be bound to respect this agreement longer than it desired to do so. In the British House of Commons it was also said that a new Parliament would not be bound, except perhaps in honour, to maintain the agreement, and that no Parliament can bind its successors, unless the successors choose to respect the action of their predecessors.

I consider that the failure to fix a definite period would have been wrong and might have defeated the ratification of the agreement. In

my opinion the omission of such a provision from the Reciprocity Agreement of 1911 had more than almost anything else to do with the repudiation of that agreement by our people. I know that, for I took part in the election campaign of that year, and throughout this country the burden of the song of those opposed to the agreement was that the Americans would be able to terminate it whenever they desired to do so. That is to say, not that our neighbours in the southern republic would have attempted to be unfair or dishonourable, but simply that there was nothing to bind them for any definite term of years.

In Canada and all over the British Empire we boast that our constitution has broadened down from precedent to precedent throughout the centuries. We have no written constitution, and we regard precedents as binding. As was pointed out in another place, and in the British House of Commons, there are precedents which may be considered in relation to such an agreement as this. Now, according to British practice and law, one Parliament may make an agreement that is binding upon its successors. I think the Parliament of Great Britain is as solicitous of the rights of the people under the constitution, and is as well informed about those rights, as we are. We have been in the habit of following its example, and it has declared that an agreement like this may properly be made. Numerous precedents have been cited, but I recall one which I have not seen cited, and that is with respect to the treaty under which the British Government gave to the Americans for all time the right to navigate the St. Lawrence River. Ever since it was passed no person has denied the right or questioned the propriety of entering into such a treaty. I have always had sufficient curiosity to study constitutional precedents which came to my notice, and I cannot recall that the question of the right or propriety of making such an agreement was ever raised until it was raised on the discussion of this agreement in the British House of Commons, when it was resolved that Parliament had the right.

I have said that I thought it would have been unwise and improper to make an indeterminate agreement. In support of this opinion I am going to cite an instance which came to my attention during the past summer. While I was in Ireland a gentleman told me—and he was a person to be relied upon—that he had it from a high authority in London that Denmark had sent a deputation to the British Government with a proposal that England should give to Danish agricultural

products free entry, in consideration of which, while, as the deputation said, they had no authority to make an agreement, they had authority to say that a quid-pro-quo agreement would be made to give British manufactured products a monopoly in the Danish market. As honourable members are aware, Denmark heretofore has had a free market in England for her agricultural products. Denmark is almost wholly an agricultural country, and consequently nearly all her exports are agricultural products. Hitherto the Germans have had the preference for manufactured goods in the Danish market and have supplied the industrial requirements of the Danes. Now that Danish agricultural products are barred from Germany one can see what a tremendous advantage it would be to Denmark to continue to have free entry into the British markets for her agricultural products.

That suggested to me a question. We know that the French Government contemplates making approaches to England for a new tariff deal based on preferences. We know that other countries are doing the same. We know that since England has renounced free trade all other nations are clamouring at her door for better fiscal terms. We know that for eighty or ninety years every nation ignored Great Britain, but to-day, fearing the effects of the preference given to us, they are willing to concede almost anything to secure the British market. Great Britain has to look out for herself, and if we had an agreement of this kind terminable at six months' notice, and Denmark, France, Italy or the United States offered better terms to Great Britain, the British Government would not dare to refuse them. Suppose France said to Great Britain, "We will allow you into our markets on terms as easy as or better than the Canadians allow you into their markets," what would be the answer of England? I say it is the part of prudence to tie all the participants in this agreement to at least a term certain, and that it would have been the part of folly not to do so.

Hon. E. D. SMITH: Honourable senators, I feel that I should say a few words in regard to those industries which have been favourably affected by this treaty in such a pronounced way that there can be no question about it.

During the six months that our apples are on the market we can supply all the requirements of Great Britain. Under the agreement we are granted a preference of \$1 to \$1.25 on apples. That is something that every apple grower in Canada will appreciate. Even canned apples are given a substantial

Hon. Mr. LYNCH-STAUTON.

preference of three shillings and sixpence a hundredweight. We can produce canned apples in tremendous quantities, but for a number of years we have not been able to ship them profitably to the British markets, because of competition from the Northwestern States. Some years ago they planted out such an enormous acreage of apple orchards that they glutted the market. Then they tore up many thousands of acres of orchards; but still they have a sufficient acreage left to produce apples at as low as \$2.50 a ton, or 12½ cents a bushel. This preference on canned apples will enable us to regain the British market.

The preference on fresh apples is simply a bonanza for the apple growers of this country. If to-day we do not produce enough apples, it is easy enough for us to increase our production. Except the three Prairie Provinces, every province produces apples equal in quality to those produced in any other part of the world.

We are also able to produce pears equal in quality to any produced elsewhere. We do not produce a very large quantity of pears, but what we do put upon the British market will not meet with competition, as no other country can ship them there at the same season of the year, free of duty. This will encourage us to increase our production of pears very extensively.

This year alone, with only 10 per cent preference in our favour, we were able to ship a great many more carloads of pears to the British markets than we ever shipped before, and the return, although not high, was sufficient to enable our growers to continue in business.

The British Government has imposed a heavy duty on plums from foreign countries, and if the pound sterling were at par it would be equivalent to a preference in our favour of two cents a pound. Our growers have shipped some fifty cars of plums to Great Britain, perhaps seven or eight times more than we have ever shipped there before.

It is interesting to compare the methods of the Old Country with ours in regard to imposing duties. The fruit growers of this country had been struggling for years to get an increase in the duty of half a cent a pound. It had stood at this figure for fifty years. We asked for a duty of a cent a pound. Just before the last election a quarter of a cent a pound was added, making the present duty three-quarters of a cent a pound. Some honourable members to-night have said that we are a high tariff country. Well, after eighty years of free trade Great Britain went back to protection and at the

first crack she imposed a duty on plums of two cents a pound.

This year we had a very heavy crop of peaches, and prices would have been very unprofitable, indeed much of the fruit would have been thrown away, had it not been for the small preference granted to us in the British market. Taking advantage of this preference, we send over to England large quantities of canned pears and canned peaches. In order to give our members some idea of what has taken place I desire to quote this newspaper clipping:

News in the Financial Post some weeks ago to the effect that an important market for Canadian canned fruits had opened up in the United Kingdom with the help of the British preference received striking confirmation on Monday, November 14, when special ceremonies marked the loading for the first time in Lake Ontario of all the space in an ocean vessel with canned fruits entirely sold to Great Britain and with more to follow. So brisk has this market been that, as mentioned in the Financial Post previously, pears and peaches on the tree this autumn were sold as canned goods before they were canned. There was a market for every merchantable peach or pear of good quality when properly canned.

"Canadian Grocer" in its current number expresses the opinion that the shipment of 100,000 cases of canned fruit from St. Catharines and Picton, Ontario, to Glasgow, Liverpool and London this week, may mark a new era for the export of these products from Canada to the United Kingdom. The shipment was made by Canadian Cannery Limited and the special ceremonies referred to were held at the St. Catharines docks.

Whatever may be said in regard to the preference given our wheat in the British market, I think there can be no doubt as to the tremendous benefit that must accrue if we take advantage of the concession by Great Britain enabling us to land live cattle in the British market and sell them there on equal terms with the British producer, and of the preferred position in which our farmers have been placed to compete for the enormous British bacon market of 280,000,000 pounds. In a word, our farmers have good reason to be well pleased with the treaty. For some time it has been the policy of the British Government to protect the British farmer and encourage him to raise cattle and pigs, it being recognized that the importation of enormous quantities of meats of all kinds had almost driven him off the land. This is not a temporary policy on the part of the British Government; it is a well settled policy to protect and encourage the British farmer to produce meats. Yet by this agreement we are given access to that market on even terms with the British farmer. We alone can ship live cattle and bacon and ham into

the British market. So, outside of what the British grower himself can produce, we have almost an exclusive market for our cattle and our bacon and ham.

In view of these very substantial advantages to our fruit growers and farmers, if anyone tells me that this treaty is not going to be of very substantial benefit to this country, I shall wonder what he actually knows about the situation.

I can assure honourable members that if the House were asked to divide on the question, I should vote for the agreement.

Hon. Mr. CASGRAIN: The honourable gentleman said that he could get apples at 12½ cents a bushel?

Hon. Mr. SMITH: That is what I have been told by the canners.

Hon. Mr. CASGRAIN: You are not sure?

Hon. Mr. SMITH: I do not know myself.

Hon. Mr. CASGRAIN: I will raise the ante and give 15½ cents a bushel. I have been looking for cheap apples for a long time. They are very dear in my province.

Hon. Mr. SMITH: You can get them at that price.

Right Hon. ARTHUR MEIGHEN: Honourable members, trade treaties based on tariffs are necessarily related to taxation. It follows from the constitutional practice of the Parliament of Canada that the major responsibility for these treaties devolves upon the other House. This House has its own responsibility, but it is not primary or basic. We have the right of rejection or acceptance. Possibly, at law, we have the right of amendment, but it is a right that so far we have not exercised. And in the application of constitutional practice to the present Bill that right of amendment would be inadmissible; the Bill, being the approval of a treaty, does not admit of alteration, for alteration means the upsetting of the treaty.

Therefore I do not intend to review the merits of the Bill, for which I am sponsor, with the same thoroughness that I should deem it my duty to devote to them were the Bill such as demanded primary and complete consideration at our hands. I think, though, I can justify making some comments on the addresses delivered in respect to it in this House, and endeavouring to show that there really is no reason why any honourable member should oppose it. I shall proceed on the assumption that the Senate is not, as is the other House, necessarily a body composed of two parties, but is in the nature of a

House of review where considerations that affect members of the other assembly need not have their force.

I have been a member of one of the parties, and I think perhaps as loyal and thorough-going a member as that party ever had or is likely to have, and I know something of the exigencies of party affairs, of the loyalties that are essential if parties are to perform their functions, and of the deference that must be paid—not a deference amounting to subjection, nevertheless a deference that is often necessary in order to render effective the majority opinion of a party. I venture to say this, that never in my acquaintance with the affairs of Canada has opposition to a measure been more manifestly or to a greater extent based upon party considerations than has the opposition to these Bills. I am not referring now to this assembly. What there can be in the measures before us to justify antagonism on the part of the Canadian people or their representatives I really do not know. I have listened this afternoon with some curiosity to addresses from honourable members to see if I could analyse what really was in the back of their minds when they affirmed, timidly, as did some of them, a measure of opposition. I venture to say that never have more straining and struggling been in evidence than in the effort to find some ground on which to plant the foot in order to create apprehension and fear about the adoption of these measures.

I was delighted to listen to the speech by the honourable member for Wentworth (Hon. Mr. Smith). He has a lifelong experience with that branch of Canadian industry directly affected by the large advantages this treaty brings to Canada. I refer to the fruit industry. I would ask honourable members whether there is anyone in Canada whose experience would qualify him better than the honourable member for Wentworth to speak on the subject of what is really of benefit to Canadian fruit growers. I venture to pass from him to some honourable members from the Annapolis Valley in Nova Scotia, from the Okanagan Valley in British Columbia, or from the rich counties along Lake Ontario, where apples are the very life-blood of the people—

Hon. Mr. LAIRD: From Prince Edward County.

Right Hon. Mr. MEIGHEN: Yes, or from Prince Edward County—and to ask them whether it is not worth while to have a \$1.25 advantage for the apples of Canada in the British market.

Right Hon. Mr. MEIGHEN.

Hon. Mr. HORSEY: That is about all they are getting for a barrel now.

Right Hon. Mr. MEIGHEN: Then it is certainly worth while not to have another \$1.25 against them. Yet the honourable member wants to defeat this measure in the name of free trade and low tariff. If this measure is defeated, the British tariff, now on a protective basis, will rise against the products of Canada—our apples and wheat and other natural products; yet honourable members are ready to defeat it, because they are opposed to high tariffs.

The world to-day is flooded with a surplus of wheat. There are, it is estimated, 200,000,000 bushels more than the population of the world can, under present conditions, consume; consequently we have the deplorable prices recited by the honourable member from Manitou (Hon. Mr. Sharpe). Everything possible is being done to steady those prices, but world prices cannot be seriously disturbed, whether down or up. The cure can come only through pressure of those economic forces which might contract the acreage under crop in Canada, in Australia, in the Argentine, or in the United States.

The greatest wheat-buying country in the world is Great Britain, and under this treaty we are getting a six-cent advantage for our wheat in the market of that country. This means more to Canada by far than it does to any other Dominion. I ask honourable members, especially those engaged in agriculture, which country they think will be compelled to contract its acreage if these treaties go into effect? Will it be Canada? Would the honourable member for Brandon (Hon. Mr. Forke) rather be farming in Canada, whence he can get his wheat into the British market under this treaty, or in the Argentine or the United States, from which he could not get into that market except over the duty of six cents a bushel? Where is the contraction going to take place? Is it going to be in the countries whose producers have to climb a fence to get into the world's greatest market, or in Canada, with no fence to climb? Yet the honourable gentleman is filled with whimsical and imaginary apprehensions.

Hon. Mr. FORKE: The cost of production will ultimately prevail.

Right Hon. Mr. MEIGHEN: And the cost of getting into the market. Is it any better to pay six cents to get into the British market than it is to add them to the cost of production?

Hon. Mr. FORKE: It may be six cents.

Right Hon. Mr. MEIGHEN: It is better not to have to pay the six cents? Why the apprehension of the honourable gentleman?

Hon. Mr. FORKE: I have none.

Right Hon. Mr. MEIGHEN: He has none. I understood him to say that he had some apprehension. That is exactly the language he used. If this treaty had been sponsored by someone else, these murmurings of doubt would have become a hallelujah chorus in which the honourable gentleman from Brandon would have roared in his highest pitch.

In respect of the bacon trade, we shall secure under this treaty, not at once, I understand, but subject to certain delays which have to intervene, a tremendous accession because of a quota that this country will have in the greatest bacon market of the world. In its equipment as a bacon producer Canada has no serious rival in the world, save perhaps two countries in Europe. The honourable member for Brandon (Hon. Mr. Forke) is absolutely right in saying that we have to-day in Canada as fine a pork product as can be found in the world; but unfortunately it is not in this country a universal or systematized product. Denmark, having had the British market for some time, and later Poland, systematized the product, brought it up to certain standards demanded by that market, and thus almost dominated the situation. But when this treaty goes into effect, a multiple which is four, five or six times the largest quantity that we are at present able to ship to Great Britain will be our quota in that market. I ask the honourable gentleman from Brandon (Hon. Mr. Forke), and my right honourable friend from Eganville (Right Hon. Mr. Graham), what more can any Government do for its people in this respect than enable them to get a market for their product? We cannot compel people to produce the product, we cannot shorten the distance between ourselves and England, but we can produce the best possible conditions for access to that market. And does not this treaty do that? Then why this apprehension?

I have confidence that the farmers of Canada will adjust themselves to the situation and that pork production will be placed on a foundation such as it has never had before. This is a problem which the Government cannot solve. The responsibility of the Government is to secure to the utmost extent a market for the products of its producers in the world's buying countries. I am not at all fearful that the breadth of the Atlantic Ocean is going to make it impossible for us

to enjoy a distinct advantage over our Danish competitors in reaching the British public. Distance has not made it impossible in regard to our cattle. Nor has distance made it impossible for even the Argentine product, which has to travel half the circumference of the world, to compete in the British market.

There is no other country in the British Empire that can enjoy even a fraction of the advantages enjoyed by Canada in the British market, just because of the better geographical position that this country happens to occupy in relation to that kingdom.

Then I pass to copper. Surely the duty against the product of other countries is of great importance in relation to one of the base metals that Canada has to export. Ask any exporter what effect this treaty will have. Look at the market for copper stocks. That is the answer to honourable members who have fears that this is of no value to us.

But I prize the treaty more because it brings to us for the first time the advantages of a wider market for agricultural products of this country. Ever since I first heard political speeches I have heard appeals for wider markets on behalf of Canadian agriculturists. How can honourable gentlemen listen in patience to those who set themselves up as representatives of Canadian agriculture, and who now, when these markets are first offered, look upon them with dismal demeanor and speak of them with words almost of apprehended tragedy? "Wider markets" has been the cry over the Western Plains ever since there were any Western Plains. Is there any way of getting wider markets except by such measures as this Bill? Is there any path that we can tread other than this? Do honourable members suggest going somewhere else? There is no market comparable with the British market for agricultural products. For some other products there may be. There cannot be a market with our neighbours to the south, because they too have a tremendous surplus. But here is a great country which is a big buyer of these products; here are markets that can be widened. We never could enlarge them while they were accessible to all our competitors, but as soon as the principle of protection was adopted there came the opportunity to open to Canada access to those who are real consumers, because the doors were partially closed to other countries. Therefore, even though there are within the four corners of the Bill some things at which the finger can be pointed—things on which the duty under the general tariff will be perhaps thirty or forty per cent, even though they are manu-

factured in Canada—I think we ought to welcome with open arms and with cheerful voices a measure which for the first time really widens in great degree the agricultural market for this Dominion.

What is the objection levelled against this treaty? The honourable member for Brandon (Hon. Mr. Forke) says that it is based on high tariff. He did not satisfy our curiosity even to the extent of indicating just where the base was, or what he meant by his casual assertion that it was based on high tariff. If he will look over the British preference table, which is the first vertical table in the schedule, he will find the words “free” in about four cases out of five. About all that the printer had to do was to print the word “free”; and where he had to print some little duty it was small indeed. The word “free” abounds in the intermediate tariff, and where there is a duty it is very low. Rarely is the duty raised, and then only very slightly. Then go to the general tariff. Out of a list of hundreds the honourable member will be able to find not six cases where the duty is in the forty per cents, and none where it is over that figure; and for every one that he can find as high as forty per cent, even in the general tariff, I will show him ten as low as ten per cent. Still he says, let Britain put up six cents against our wheat, let it shut us out of its market for bacon, let it stamp out of existence all the benefits that we get, because this is based on high tariff. I venture to suggest that the honourable gentleman has not read the Bill. He certainly has not read the schedules or he never would have given to this House the figures which he recited.

Then another honourable member—I think it was the honourable gentleman from Prince Edward (Hon. Mr. Horsey)—said: “Let us not adopt this measure, for, if we do, it may some day be rescinded.” He carried us back to the first half of the nineteenth century, to the time of Russell and Palmerston, in order to warn us that there was then a preference arrangement with Great Britain under which we got special access to British markets, but that the British consumer rebelled and the preference was abolished, and this one, he says, may be abolished likewise. Yes, it may be. There is nothing permanent in this transitory world. But I wonder why the honourable member has such fearful doubts and tremblings about a treaty with Great Britain, whereas he had none at all about a treaty with the United States, or Japan, or Italy, or Australia.

Right Hon. Mr. MEIGHEN.

Hon. Mr. HORSEY: It is in the family of nations.

Right Hon. Mr. MEIGHEN: Japan is inside, but Britain is outside?

Hon. Mr. HORSEY: The British Empire.

Right Hon. Mr. MEIGHEN: Oh, I see. It is safe to deal with foreigners, but not safe to deal with our own kin.

Hon. Mr. HORSEY: I do not like a fixed agreement.

Right Hon. Mr. MEIGHEN: You cannot depend on a fixed agreement with Great Britain, but with Japan you can? Is that it?

Hon. Mr. HORSEY: It did not work out in the past.

Right Hon. Mr. MEIGHEN: It did not work out in the first half of the last century?

Hon. Mr. HORSEY: And is not likely to do so now.

Right Hon. Mr. MEIGHEN: And is not likely to do so now. The honourable gentleman has some doubt about the stability of character of our kinsmen in the British Isles. They may change, but other people, he thinks, are dependable and will keep a treaty for ever. Is that the serious argument of the honourable member?

Others again tell us that it is all right to lower our tariff against the people of Great Britain in the hope that they may lower theirs; that it is all right even to give them a hint of what we should like them to do; but that if we gather round a table the Empire is in peril. How can honourable members address such arguments to this House? What is the danger in saying to Great Britain, “Let us see whether we can help you and you can help us”? We can say it to Japan, because she is outside the family of nations; we can even make a treaty for five years with Japan, and the honourable member will hold up both hands for it; but if we make a treaty with Great Britain we are sacrificing what he calls our “fiscal freedom.” I have heard the term before. Some twenty years ago I said something on behalf of fiscal freedom myself. But how can fiscal freedom, by any sensible conception, be imperilled? I can conceive rather of our fiscal freedom being imperilled by our engaging in a wide and sweeping tariff agreement with the nation alongside of us—a nation twelve times our size, whose industries are of a magnitude twelve times as great as ours. This country is founded and based and lives

upon the commercial principle of east-and-west transportation and trade. If we made a treaty with a nation of twelve times our magnitude and power, the trade with which is necessarily north and south, and if then, having diverted our trade into certain channels by virtue of that treaty, we found those channels stopped, what a shocking and debilitating influence the result would have on the trade of this country! But east-and-west trade is wholly consistent with sales to the British market; east-and-west trade is wholly consistent with sales to Japan; east-and-west trade is wholly consistent with sales to any country save only the United States. Therefore the question of fiscal freedom can enter only in connection with a very wide and sweeping treaty with that republic. There is no peril to Canada in east-and-west channels of trade, nor probably in trade with any nation on earth outside of the North American continent. We have never before heard the words "fiscal freedom" uttered in reference to any treaty made with any country in the world that dealt with us through east-and-west channels.

I am at a loss to understand how honourable members can feel that there is going to be danger of friction and all the other things mentioned, just because we sit down together and seek to help one another now that the opportunity to do so has come for the first time by reason of the change of policy in Great Britain. Honourable members say it is going to be risky to let representatives from Great Britain come before a tribunal in this country and seek to establish the fact that by reason of the agreement entered into they are entitled to certain consideration under our tariff. Are not the people of Great Britain, yes, the people of any country, entitled to appear before any court in this Dominion, and to seek under the laws of Canada to establish their rights? What, then, is the danger in enabling the people of Great Britain to appear before this Tariff Board, this court—for it has the status of a court—to seek, on the basis of the law of Canada, to establish their rights? In what respect is Canadian autonomy or the political integrity of the Dominion imperilled? I am unable to see any justification for such an apprehension.

I ask honourable members to keep in view the fact that for many years it has been difficult, if not impossible, to do justice to the agricultural community of this country, under the protective system which we have found necessary. The opportunity to do justice came only when, by virtue of a protective tariff in Great Britain, we were able to get a preference. Let us rejoice that we were able

to obtain that opportunity, and let us not postpone for one unnecessary moment the time when the people of our agricultural districts will take advantage of it.

Honourable members say that this Government is a high tariff Government, and that the world is being strangled with high tariffs. I have a great deal of sympathy with the contention that tariffs all over the world are high, and I should like to see a movement for the reduction of tariffs by all countries. Is there anyone in Canada who would not? The tariff policy of a country has to be governed by local conditions and also by the policies of other nations with which that country competes. In providing a tariff for Canada we must primarily and continuously take into consideration the tariff policy of the great competing nation to the south of us. That is why this country has been compelled through all its history to adopt protection. Similarly, Great Britain's decision to adopt a protective policy was arrived at because of what other countries had done. Do honourable members think that reasoning with respect to any theory caused Great Britain to depart from the principle of free trade, which was adhered to for long decades?

Hon. Mr. HORSEY: The people never voted on the matter.

Right Hon. Mr. MEIGHEN: No man in Canada has the right to question whether the British Parliament speaks for the British people.

Hon. Mr. HORSEY: The people did not vote for a tariff.

Right Hon. Mr. MEIGHEN: The honourable gentleman had better discuss Canadian affairs and assume that the Government of Britain speaks for the people of Britain. We should resent any attempt made in the British Parliament to deny that our Parliament spoke for the people of Canada. Let us extend to the British Parliament the same courtesy that we should demand for our own.

The Government of Great Britain decided to adopt protection. Why? Because the government of one country after another raised barriers against British trade, and as a result the markets of the Old Country were flooded with foreign goods, and manufacturers, artisans, all classes of people suffered in consequence. Protection was resorted to, not because of devotion to any theory, but under the compulsion of events. For similar reasons most countries of the world have done the same thing. Undoubtedly the principle of protection has been carried too far in many lands. But the Ottawa Conference

was an attempt on the part of British nations, all of them large trading countries, to open up channels of trade among themselves, to give concession for concession, and it may well be the precursor of similar endeavours on the part of other nations. It is recognized everywhere that the British Government, in adopting the principle of protection, and especially in entering into these trade treaties with us, has set an example that may be followed by other nations, and by itself in its relations with other countries, in an endeavour to lower tariff barriers the world over. So I say this agreement is a step in a direction which should eventually tend to the general amelioration of the difficult conditions of our time. It is of great value to our country as a whole, and especially valuable to our agricultural districts because of the obviously great advantages that will accrue to them.

Now, I ask honourable members seriously to consider this question. Would you like to defeat this measure? If you would not, have you any right to vote against it? Would honourable members like to be responsible for causing customs duties in England to be raised, under the terms of the enactment now in force in that country, against the products of Canada? That is what the result would be if this Bill were defeated here.

Some honourable members say that the enactment should not be given a life of five years. Well, we have legislated for agreements that would be effective for five years, or more, with foreign countries. I do not know why we should be so trustful of foreign people and so distrustful of our own. Five years is a short time. I hope that not only five years from now, but ten years from now, and even long beyond that time, these channels of trade for which we are now providing will have been deepened and extended, and that commerce between different parts of the Empire will have become larger and freer. May the Empire set an example to the rest of the world in the way of recovery from the present chaos, for which recovery there is grievous need at this juncture of our fortunes.

Hon. Mr. DANDURAND: Honourable members, having made the reservations that we have deemed it proper to formulate concerning this measure, we do not intend to oppose the second reading of the Bill.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

Right Hon. Mr. MEIGHEN.

UNION OF SOUTH AFRICA TRADE AGREEMENT BILL

SECOND READING

Right. Hon. Mr. MEIGHEN moved the second reading of Bill 3, an Act respecting a certain Trade Agreement between the Dominion of Canada and the Union of South Africa.

Hon. Mr. DANDURAND: With the same reservations that I expressed concerning Bill 8, we do not oppose the second reading of this measure.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

IRISH FREE STATE TRADE AGREEMENT BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 4, an Act respecting a certain Trade Agreement between the Dominion of Canada and the Irish Free State.

Hon. Mr. DANDURAND: With the same reservations that I expressed concerning Bill 8, we do not oppose this Bill.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

SOUTHERN RHODESIAN TRADE AGREEMENT BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 5, an Act respecting a certain Trade Agreement between Canada and Southern Rhodesia.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

DUPLICATION IN RAILWAY SERVICES

On the Order:

Resuming the adjourned debate on the motion of Hon. Mr. Casgrain with regard to certain arrangements to be made between the management of the Canadian National Railways and the Canadian Pacific Railway pending the passing of the present Railway Bill A.

Hon. Mr. CASGRAIN: Last night the acting leader of the House (Hon. Mr. Calder) suggested that no vote be taken on this motion in the absence of the right honourable leader (Right Hon. Mr. Meighen). I would ask whether the right honourable gentleman has any objection to the motion being passed now.

Right Hon. Mr. MEIGHEN: I was not thinking of offering objection to the motion, but undoubtedly better consideration could be given to the matter to-morrow afternoon. I should have no objection to our going on with the debate then, when we shall have more time. Of course, I do not object to our proceeding now, if the honourable gentleman insists.

Hon. Mr. CASGRAIN: I prefer that the matter be disposed of, because, as we know, there are parties who are desirous of having the opinion of the Senate as a basis on which to work.

Right Hon. Mr. MEIGHEN: We could have a better debate on the matter to-morrow. I suggest that it stand until then.

The Hon. the SPEAKER: The order stands.

SOCIAL AND HUMANITARIAN WORK OF LEAGUE OF NATIONS

RESOLUTION ADOPTED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Senator Wilson (Rockcliffe), with regard to the work of the section of the League of Nations dealing with Social and Humanitarian Questions.

Right Hon. Mr. MEIGHEN: Honourable members, I understand that, out of a deference which I very greatly appreciate, the debate on this matter also was adjourned yesterday in my absence. As representing the Government, I have no objection at all to the passage of the resolution. What might be called the cultural or ancillary work of the League of Nations has by no means been unproductive, and certainly its work in relation to opium and narcotics has been effective. The matter of the continuance of the League's labours in this field is entirely a financial one.

Honourable members are aware that a large number of countries are in arrears with respect to the payment of their allotment to the League for the continuance of the activities of that body. Canada has paid her dues promptly and is not one dollar in arrears. At the moment no one can foresee what will be the outcome of this neglect on the part of many nations, and the acceptance of obligations by others. That is one problem which confronts the League, if indeed it does not threaten it at the present time.

Hon. Mr. DANDURAND: There may be some other reason than neglect.

Right Hon. Mr. MEIGHEN: Yes, and I know what those other reasons may be. But, subject to the reservation by Parliament of Canada's rights with respect to her contribution, there can be no objection to the continuance of the work that is urged in the resolution, nor to the passage of the resolution.

The resolution was adopted.

CUSTOMS TARIFF BILL

FIRST READING

A message was received from the House of Commons with Bill 13, an Act to amend the Customs Tariff.

Right Hon. Mr. GRAHAM: What is this Bill?

Right Hon. Mr. MEIGHEN: It is a consequential Bill; it contains consequential amendments to the Customs Tariff.

The Bill was read the first time.

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

THE SENATE

Friday, November 25, 1932.

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

Prayers and routine proceedings.

STATUS OF THE LEAGUE OF NATIONS

NOTICE OF INQUIRY

Hon. Mr. CASGRAIN gave notice of the following inquiry:

That he will call the attention of the Senate to the status of the League of Nations, and inquire:

1. When did Canada pay its last annual dues to the League of Nations?
2. What was the amount?
3. Are there any nations who have neglected to pay their dues?

4. If so, what are the names of these countries, and how much does each of them owe?

5. Does the League of Nations charge interest on these deferred payments?

6. Has the League of Nations collected any interest on these deferred payments since its inception; if so how much, and at what rate of interest?

7. When did China pay her last dues to the League of Nations?

8. How much does she owe to the League of Nations without interest?

9. Is it true that the Chinaman who represents the Celestial Empire at the League of Nations has received an appointment from the League of Nations, which permits him to live at Geneva and attend the meetings of the League?

Hon. Mr. GORDON: May I suggest to the honourable gentleman that he also ask for a statement of the financial affairs of the nations that are in default?

CANADIAN NATIONAL RAILWAYS— DIVISION OF EMPLOYMENT

INQUIRY

Hon. Mr. LYNCH-STAUTON inquired of the Government:

1. Has the Canadian National Railway management adopted any scheme to divide the employment given by it fairly among all its employees?

2. Or has it adopted a scheme to divide the employment given by it fairly among any class, or classes, of its employees?

Right Hon. Mr. MEIGHEN: The answer to the honourable gentleman's inquiry is as follows:

1. Working hours and mileage being conditions of formal contracts between the company and various classes of employees, the employees affected and the company have, from time to time since the business depression set in, agreed to modification of working hours and mileage, with the object of distributing the available work amongst a greater number.

2. Answered by No. 1.

CUSTOM-HOUSES AND OUTPORTS

ORDER FOR RETURN

Hon. G. LYNCH-STAUTON moved:

That an Order of the Senate do issue for a return showing:—

1. The number of custom-houses, sub-custom-houses and outports in Canada.

2. The number of them that are in receipt of customs' duties sufficient to pay the expenses of such offices.

3. The number of custom-houses, sub-custom-houses and outports in the United States and a statement as to whether the American Government maintains as many such offices as does the Canadian Government.

The motion was agreed to.

Hon. Mr. CASGRAIN.

CANADIAN NORTHERN RAILWAY— NOVA SCOTIA GUARANTEE

Before the Orders of the Day:

Hon. J. P. B. CASGRAIN: Honourable members, may I draw the attention of the right honourable leader of the House to the answer brought down to my inquiry with respect to provincial guarantees of Canadian Northern Railway bonds. Under Nova Scotia I find this answer: "No guarantees." I think the right honourable gentleman will recall that at the time of the acquisition of the Canadian Northern Railway the Dominion Government relieved the Province of Nova Scotia of its guarantee obligations to the extent of at least \$6,000,000. Evil tongues even said that it was an incentive for the adherence of the Provincial Government to the Union Government. In the strict legal sense perhaps it was not a guarantee; it was money that the Provincial Government had advanced for the construction of the railway, and the obligation was loaded on to the other provinces.

Right Hon. Mr. MEIGHEN: I have no reason to think the return is not correct. One does not carry one's thoughts back over eighteen and a half years with the greatest confidence; but with this reservation I would say I do not recall that Nova Scotia had any guarantee—

Hon. Mr. CASGRAIN: Not a guarantee; the province paid the money, and was relieved of that.

Right Hon. Mr. MEIGHEN: The province was relieved of the money if it paid the money out.

Hon. Mr. CASGRAIN: Yes; relieved of the obligation by the Dominion Government.

Right Hon. Mr. MEIGHEN: No, it did not get any money back.

THE PRICE OF COAL

Before the Orders of the Day:

Hon. RODOLPHE LEMIEUX: May I ask the right honourable leader of the House whether the Labour Department or the Fuel Board is proceeding with the coal investigation, and whether we may expect reports of that investigation from time to time?

Right Hon. Mr. MEIGHEN: The coal investigation, so-called, is being proceeded with under the Combines Investigation Act. I can assure the House that it will receive from time to time such reports as the Act calls for. I am not at all convinced that the Act calls for any reports.

CUSTOMS BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 6, an Act to amend the Customs Act.

He said: Honourable senators, under the Customs Act as it stands, all goods are liable to the application of the special dumping section. This Bill amends the Act so as to exempt from that section goods entitled to entry under the British Preferential or any lower tariff. This action is not taken in pursuance directly of the Economic Conference agreements, but is rather the result of some collateral understanding.

Hon. Mr. DANDURAND: It has nothing to do, I suppose, with the valuation of the pound sterling, which I think is from time to time fixed at a certain amount for customs purposes.

Right Hon. Mr. MEIGHEN: I do not think it has special relation to the question of exchange. The section reads this way:

If at any time it appears to the satisfaction of the Governor in Council on a report from the Minister that goods of any kind are being imported into Canada either on sale or on consignment, under such conditions as prejudicially or injuriously to affect the interests of Canadian producers or manufacturers, the Governor in Council may authorize the Minister to fix the value for duty of any class or kind of such goods, and notwithstanding any other provision of this Act, the value so fixed shall be deemed to be the fair market value of such goods.

As amended the section will read that the class of goods, as respects which the value for duty purposes may be fixed, shall not include those which are entitled to enter under the British Preferential tariff or any lower tariff. It will be seen that the new statute subtracts from the power of the Minister to fix values for duty purposes. This power was first given about 1924, and I am free to confess that at the time I protested against it most strongly. However, the practice, as might have been expected, has grown instead of diminishing.

Hon. Mr. DANDURAND: To the extent only of this amendment my right honourable friend's views are being met.

Right Hon. Mr. MEIGHEN: To that extent only. It is a matter of very much regret that they are not being met to a greater extent.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

CUSTOMS TARIFF BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 13, an Act to amend the Customs Tarriff.

He said: This is the consequential Bill which is necessary by reason of the treaties agreed to at the Imperial Economic Conference.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

DUPLICATION IN RAILWAY SERVICES

MOTION

The Senate resumed from November 23 the adjourned debate on the motion of Hon. Mr. Casgrain with regard to certain arrangements to be made between the management of the Canadian National Railways and the Canadian Pacific Railway pending the passing of the present Bill A.

Hon. Mr. CALDER: I moved the adjournment of the debate merely in order that the matter might be considered and that those who wished to address themselves to it might have an opportunity of doing so. I had my say the other evening.

Hon. Mr. DANDURAND: The Order Paper does not show the revised form of the resolution.

Right Hon. Mr. MEIGHEN: Honourable gentlemen, this resolution has been under review indirectly by the Railway Committee. The Railway Committee is impressed, I think, first, with the fact that if it is to deal thoroughly and maturely with the tremendous subject referred to it, a long period of time may elapse before it is able to report, and further time will then be required for the Bill to pass both Houses. Secondly, the Committee is impressed with the fact that in the meantime economies might be effected which are not being effected. The evidence seems to tend to the view that much is being done, but that still greater work can be accomplished

and greater savings made. I can only say, and I do so without the authority of the Committee, that these two convictions seem to prevail. It has been suggested that possibly the work of effecting joint economies between the two systems of railways might be given an impetus and accelerated if this House were clearly to express the view that there should be no undue delay or lethargy in the execution of the work of effecting these economies. I should think, though, that it might be wiser not to pass the resolution in its present form. It seems to me that it would be the part of wisdom for us first to recite that pending the passing of the Bill any losses that can possibly be eliminated by co-operation should be eliminated, and then to recommend that this be done. The second suggestion I have to make is that it would be as well to leave out the request for an umpire.

Hon. Mr. CASGRAIN: I am willing to strike that out.

Right Hon. Mr. MEIGHEN: There is a difference of opinion as to the wisdom of that section of the Bill which provides for the compulsory settlement of disputes which may arise out of efforts towards economy. If we were to pass now a resolution stating that in our opinion there should be some one to settle such disputes, it might be argued that we were prejudicing the work of the Committee.

My suggestion is that the purpose of the resolution should be more clearly expressed, and that the last clause, commencing with the words "and that" in the third from last line, be omitted. Possibly some one would move the amendment—I do not think I should do it myself—that after the word "that" in the first line, the following words be inserted:

For the purpose of expediting the attainment of all possible economies by mutual co-operation. and that all the words after and including the word "and" in the fifth line be omitted.

Hon. Mr. BUREAU: How would the motion read then?

Right Hon. Mr. MEIGHEN: It would read in this way:

That for the purpose of expediting the attainment of all possible economies by mutual co-operation, pending the passing of the present Railway Bill A, in the opinion of the Senate a certain number of officials of the Canadian Pacific Railway Company and an equal number of officials of the Canadian National Railways should meet to try to co-operate in eliminating some of the duplication of railway service, with a view to economy in this service.

Hon. Mr. LEMIEUX: This is only the expression of a desire; it is not an order?

Right Hon. Mr. MEIGHEN.

Right Hon. Mr. MEIGHEN: It is the expression of a wish that is impersonated in the honourable senator for—I never can remember his constituency—

Hon. Mr. CASGRAIN: De Lanaudière.

Right Hon. Mr. MEIGHEN: I think if we said for the whole Province of Quebec it would be appropriate.

It is quite conceivable that the resolution might be of advantage pending the passing of the Bill itself. It represents the conviction of this House that even though considerable time is likely to be consumed in determining upon the provisions to set up the necessary machinery, there should be no delay in attaining economy, so far as that is possible, in the meantime.

Right Hon. Mr. GRAHAM: As Chairman of the Committee I might explain that the Committee has worked strenuously and hard, and has heard the representations of all persons who have asked to be heard, and some who have not, including the representations of President Beatty of the Canadian Pacific Railway, and Mr. Ruel, formerly of the Canadian National Railways. It was the consensus of opinion when we were discussing this resolution of my honourable friend (Hon. Mr. Casgrain) that while the Senate could not make an order at the present time, it could pass a resolution expressing its opinion that the economies we have been considering should be expedited, and that the companies might be a little more enthusiastic in their efforts.

I have no objection to moving this amendment:

That after the word "that" in the first line, the following words be inserted: "For the purpose of expediting the attainment of all possible economies by mutual co-operation."

I move that as an amendment to the resolution.

Right Hon. Mr. MEIGHEN: I suggest that you put the words "in the opinion of the Senate" at the beginning.

Hon. Mr. CALDER: I have much pleasure in seconding the motion. There is probably one little phrase that might be altered.

Hon. Mr. MURPHY: There is too much "economy" in it now. I mean that there is redundancy near the end.

Hon. Mr. CALDER: I doubt whether the words "try to co-operate in eliminating some of the duplication of railway services" express what we intend. However, that is not a very important point, for if we pass the resolution

both railway systems will understand the object we have in view. Personally I was hoping that something would be accomplished to bring about some economies between now and the time when a Bill dealing with the situation is finally passed by Parliament. However, the answers I received to the two or three questions I asked Mr. Ruel in the committee this morning satisfied me that under existing law the Canadian National Railway Company has sufficient authority to continue its co-operation with the Canadian Pacific Railway. I have no doubt at all that both railways, being fully aware of the situation and knowing what our hope is, will endeavour to proceed a little faster in voluntarily giving effect to economies while actual legislation is pending.

Hon. J. MURDOCK: Honourable senators, all my life I have been somewhat inclined to take an interest when I have seen an attack upon a small boy by a bigger one, and it seems to me that if this resolution is passed it will result in an attack of that kind. Why? Because the resolution would be suggestive to, and to a large extent binding upon, the Canadian National Railways, indicating what we expect of them, yet there is not a word in it that would be binding upon the Canadian Pacific.

Recently we have been told that both railways have a long list of questions ready for submission to a joint co-operative board. Now, if the resolution were passed would it not mean that a committee of officials of the two lines would get together and exchange their lists? And if that happened, would the Canadian Pacific not have the big boy's unfair advantage, in being able to say to the Canadian National officials, "Here are instructions and suggestions given to you by the Senate of Canada"? It seems to me that if we are going to deal fairly with our own railroad we should endeavour to place it on an even basis with the other great railroad, of which we are all so proud. Why give the Canadian Pacific a material advantage, as this proposes to do?

Hon. Mr. CALDER: How?

Hon. Mr. MURDOCK: If representatives of the two railroads get together with their lists of questions on which they desire co-operative action, the Canadian Pacific officials can stand firm and suggest to Canadian National officials, "Here is what the Senate has said you should do."

Mr. Beatty, the President of the Canadian Pacific, was before the Railway Committee for two hours or more, and we were all very much interested in what he said. I think we got the impression that he is unalterably opposed

to the provisions of Part III of Bill A. Perhaps I shall be permitted to read a statement made by him before the Royal Commission:

We have always contemplated from the beginning that there would be an overriding commission which would be a court of appeal in all these matters. It would be in the shape either of a glorified railway commission or a separate and independent body which would pass on this very thing, and permit or refuse to permit the abandonment of properties in the public interest. I think that is essential. I do not think you should say to a private body of men like a board of directors, "You have unlimited power to do these things."

Mr. Beatty is evidently expecting that a proper body will be appointed for consultation in matters of dispute between the two railroads. But it seems to me that this resolution would have an entirely one-sided effect. What would happen when Parliament resumes at the end of January? I have a right to guess, if I cannot do anything else, and my guess is that we should want to find out what has been the effect of the passage of this resolution, which someone has called a pious hope. We should be told that meetings were held, but that the Canadian National would not agree to the requests and proposals made by the Canadian Pacific, and therefore the Canadian Pacific had no opportunity of carrying out its plans for the elimination of certain services under a co-operative arrangement.

Right Hon. Mr. MEIGHEN: Will the honourable member permit a question? Suppose that does happen. Would that not be very illuminating to the Committee when it is trying to form a conclusion as to whether or not an arbitral tribunal is necessary?

Hon. Mr. MURDOCK: Yes. I fear it would be illuminating to some members of the Committee, who would then contend—if I am permitted to guess again—that the result proved the necessity of putting both roads under one executive head and preventing the recurrence of meetings that were only a farce. I fear it would be argued that the Canadian National officials should have agreed to suggestions made by officials of the Canadian Pacific.

I think it is only fair that those who are charged for the time being with the responsibility of carrying on the work of the government-owned railways should not be made the victims of a resolution of this kind, a resolution which, as I have already said, would be more or less binding upon them, but at which Canadian Pacific officials could snap their fingers. Do we want to place the representatives of our railway in that position?

Hon. J. LEWIS: Honourable senators, I am inclined to support the contention of the honourable gentleman from Parkdale (Hon. Mr. Murdock) for another reason. These economies, I suppose, will necessarily result in the dismissal of a large number of employees of the Canadian National, and possibly of the Canadian Pacific also. While I admit that in the long run many dismissals may be inevitable, it seems to me that it would be unwise to hurry the process at present, or during the coming winter, which will probably be an extremely hard one. If the economies were made effective now there would be an increase in unemployment distress, whereas if they were held off until spring I doubt that very much harm would be done. By that time the summer would be on the way, and possibly there would be evidence of improvement in employment and general conditions.

Hon. J. A. McDONALD: Honourable members, I should like a little more light on this resolution. If the motion passes does it mean that during the parliamentary recess, while Mr. Best, Mr. Mosher and other representatives of labour are working overtime to make out a case for presentation to us, large bodies of railway employees will be discharged from the Canadian National and the Canadian Pacific? Shall we find, when we meet to discuss this problem again, that damage has been done and that it is too late for us to undo it? A prominent member of this House, who is noted for his conservative and guarded statements, said the other day that he could show our Government how to collect \$170,000,000 which is being improperly retained by income tax dodgers. There is not the slightest question that every labour man, every Canadian, is wondering why the Senate is not investigating that statement, instead of taking action that will result in the discharge of employees and a reduction or impairment of railway efficiency. The honourable gentleman's assertion was published in the newspapers, and I think it should be the subject of serious consideration by this House.

Hon. R. LEMIEUX: I am not rising to oppose the motion, for I am in favour of it. It seems to me that many economies can be put into effect while the present Railway Bill is being dealt with. Only yesterday the newspapers stated that a large sum of money was being saved through collaboration between the Canadian Pacific and the Canadian National in eliminating certain trains between Montreal and Toronto. That is the sort of

Hon. Mr. MURDOCK.

process which I think should go on. The railway muddle is costing the country one million dollars every week in Canadian National deficits, and we should not hesitate for one moment to take drastic means to put an end to them. I am not opposed to the interests of the employees of either road, but we know that it is impossible to make an omelette without breaking eggs. Everybody in this country is suffering from the hard times, and we cannot allow the railway situation to continue unchanged. The people expect us to do something in the way of reducing the deficits, and it seems to me that we are in conscience bound to proceed along that line. We must notify the two railway companies that in our opinion they should continue eliminating duplicate trains and other services that are unprofitable. Our situation reminds me of the one that existed in France shortly before the Revolution, when the Assembly was being asked by the Government to adopt legislation under which every citizen would be taxed to the extent of one-quarter of his fortune. There was a long debate, and finally Mirabeau from the tribune exclaimed, "Gentlemen, bankruptcy is at our gates, yet you deliberate!"

After having listened to the remarks made by the right honourable leader of the Senate yesterday, I think we shall be taking a very heavy responsibility upon our shoulders if we fail to adopt drastic means to terminate the scandalous increase in our railway deficits.

Hon. J. A. CALDER: Honourable members, I should like an opportunity of saying a few words more. In the first place, this is not a drastic measure. We are not dealing with the Bill now. The drastic measure will have to come when Parliament sits again after the adjournment. As regards this resolution, after all it can have only one object: it is a further intimation from the Senate, on representations from its Committee on Railways, Telegraphs and Harbours, which has been dealing with this question, that these co-operative measures should be continued. There is nothing in the law now that will prevent the two railway companies from doing exactly what this resolution says they should do. Then why all the fear? My honourable friend says, in effect, that the Canadian Pacific Railway is going to gobble up the Canadian National. That cannot happen. By this resolution we simply say that in view of the information submitted to the Senate Committee, these co-operative measures should be continued immediately. Par-

liament as a whole is not acting; the Senate only is expressing a wish and a hope that the efforts made during the past may be continued.

Hon. Mr. MURDOCK: Am I to understand that if we pass this resolution it will not mean one thing more to the C.P.R. than obtains at present?

Hon. Mr. CALDER: Not a bit.

Hon. Mr. MURDOCK: While to the C.N.R. it will mean more?

Hon. Mr. CALDER: Not at all. The C.N.R. for months past have been co-operating with the C.P.R.—I presume, under the direction of the Minister—and the two managements have actually effected economies to the extent of some millions of dollars. This resolution does not add anything to the authority that already exists. My honourable friend heard the statement made this morning by Mr. Ruel when I asked him whether or not there exists in the statutes power to do this very thing that the two railways had been doing. He said, "Yes, undoubtedly." Then I asked him whether or not he thought—and there is no man in Canada more familiar with the situation—that the personnel of the C.N.R. management was properly equipped to carry on that co-operation. What was his judgment? He said, "Yes, undoubtedly." Then what are we to fear from the passing of this resolution? There is no danger to the C.N.R. where both companies are voluntarily trying to co-operate. Then, where is the danger of the C.N.R. being gobbled up? I cannot see any such danger. This resolution neither gives the C.P.R. any additional power nor takes away from the C.N.R. any power that it has at present.

Hon. Mr. MURDOCK: Will you say that the C.P.R. may not come in later and complain that the C.N.R. would not co-operate as we now request?

Hon. Mr. CALDER: I will go the whole way with my honourable friend there. I am content that Parliament should continue to sit and deal with this problem, which is the most serious domestic problem that we have had to deal with for many years. But we cannot all have our wish, and although this question is of the greatest importance, there may be a thousand reasons why Parliament should adjourn at this time. I repeat, all that is asked by this resolution is simply an expression of opinion on the part of the Senate, after it has heard from the Committee

which is dealing with the question, that the two railway companies from now on, until such time as legislation is passed by Parliament, should continue to co-operate with a view to securing the largest possible economies. That is all. I cannot see why my honourable friend should have any fear.

As for the remarks of the honourable gentleman from Shediac (Hon. Mr. McDonald), you cannot have omelettes without breaking eggs. Not a single economy of any consequence can be effected without affecting some individuals. Let us look at the railway picture. The C.N.R. revenue in the third week of this month fell short of their revenues for the corresponding week of last year by over \$1,200,000.

Hon. Mr. CASGRAIN: And last year was a bad year.

Hon. Mr. CALDER: Yes, it was a bad year in comparison with the preceding years. What is the picture so far as the C.P.R. is concerned? During that same week its revenue fell behind its revenue for the corresponding week of last year by over \$600,000. Now, I am not an alarmist—

Hon. Mr. FORKE: I think in this discussion we are prone to forget that the aggregate losses of business people who supply these railways with traffic are much more than the railway shortages. Consequently, while business continues to decrease we are going to have these large deficits if the railways are to render any service at all. I admit there has been extravagance on the part of the railway managements, but I think a little too much is made of that fact, considering the tremendous loss in traffic which has been gradually taking place during the past few years. I have in mind that on a little line at home we used to have the dining car filled every day, but with the decline in passenger traffic the dining car has been replaced by a buffet car, which to-day is very slightly patronized. Indeed you will find only two or three passengers in the first-class coach, although formerly it used to be crowded. It is not the fault of the Canadian Pacific that it is not making money on that line. There is virtually no traffic.

I can sympathize to some extent with the honourable gentleman from Shediac (Hon. Mr. McDonald). I was in favour of the resolution, and I do not say yet that I shall vote against it; but we have to think twice before we take any steps that may result in hundreds of thousands of men being thrown out of employment at the beginning of winter. That worries me more than any other factor

in the case. I repeat, I think we are prone to forget the tremendous drop in railway earnings during the last few years and to over-emphasize past extravagance.

Hon. Mr. CALDER: I am not unmindful of what the honourable gentleman has just said. I am attempting to deal with the situation as it confronts us. I am not overlooking the fact that there is tremendous economic depression all over the world, that we are right in it, and that all classes of the community are adversely affected. But the question is, can the Dominion of Canada continue to carry a load of more than \$5,000,000 a month to meet these deficits? I doubt it. The right honourable leader of the House pointed out yesterday that the treasury has within nine years poured into the C.N.R. System more than \$900,000,000, to a very considerable extent to take care of deficits. Can Canada go on doing that? In my judgment, no. We have been slipping downhill, with deficits and debts mounting all the time. There is an end to that sort of thing; it cannot continue. That is all. As I said a few days ago, we are approaching near-bankruptcy. Only when the people understand that we are reaching that dangerous stage shall we be able to deal with this problem as in my judgment it must be dealt with.

Hon. Mr. MURDOCK: Would the right honourable leader of the House have any objection to amending the resolution by striking out the words "try to" in the fourth line and inserting the word "mutual"?

Right Hon. Mr. MEIGHEN: "Mutual" is already in the resolution. The words "try to" are better out.

Hon. Mr. MURDOCK: They give too much latitude to the fellow who says, "We won't." Might we have the resolution read as amended?

The Hon. the SPEAKER: In an amendment to the main motion it is moved by the Right Hon. Senator Graham, seconded by the Hon. Senator Calder,

That the following words be added after the word "that" in the first line: "in the opinion of the Senate, for the purpose of expediting the attainment of all possible economies by mutual co-operation"; that the words "try to," in the fourth line, be stricken out; and that all the words in the fifth line after the word "service" be stricken out.

Right Hon. Mr. MEIGHEN: Lines 5, 6 and 7.

The Hon. the SPEAKER: The motion as amended will read as follows:

Hon. Mr. FORKE.

That in the opinion of the Senate, for the purpose of expediting the attainment of all possible economies by mutual co-operation pending the passing of the present Railway Bill A, a certain number of officials of the Canadian Pacific Railway Company and an equal number of officials of the Canadian National Railways should meet to co-operate in eliminating some of the duplication of railway service with a view to economy in this service.

Shall the amendment be adopted?

Right Hon. Mr. GRAHAM: I do not want to delay the passing of the motion, but I would ask the right honourable leader of the Government whether we are justified in using the words "pending the passing of the present Railway Bill A."

Right Hon. Mr. MEIGHEN: Perhaps we should use the word "determination" instead of "passing."

The Hon. the SPEAKER: Then the substitution of "determination" for "passing" will be included in the amendment.

The amendment and the motion as amended were agreed to.

ADJOURNMENT

Right Hon. Mr. MEIGHEN: Honourable members, we are still in a state of dubitation as to what is to be the conduct of the other House before adjournment, and when the adjournment will take place. It may be this evening, and, tentatively, ten o'clock has been named, though one cannot say that the adjournment will actually take place then.

On motion of Right Hon. Mr. Meighen, the Senate adjourned during pleasure.

After some time the sitting was resumed.

Right Hon. Mr. MEIGHEN: Honourable members, I have learned that an effort was made in the other House to come to an arrangement whereby it would complete its business by 9.30 to-night, and that, though the effort was unsuccessful, there was an understanding that at 6 o'clock a definite decision, either yes or no, would be reached. This being so, we can either adjourn again during pleasure, to meet at six, or continue in session until we hear from the other House.

Right Hon. Mr. GRAHAM: Provided that we hear at 6 o'clock.

Right Hon. Mr. MEIGHEN: I have arranged to be advised at once. While we are waiting for the information from the other House, I may say that it is the clear intention of that House, when it adjourns, to stand adjourned until Monday, the 30th of January.

It would appear to me to be the duty of the Senate to convene very shortly afterwards, and I would suggest that our adjournment should be till Tuesday, the 31st of January, at 8 o'clock. If anyone has any other suggestion to offer, we shall be glad to hear it; otherwise, it seems to me, the date I have mentioned is an appropriate one on which to meet again.

Hon. Mr. DANDURAND: There would be no special reason for our adjourning for the same length of time as the Commons if it were not that we have the Railway Bill in our charge.

Right Hon. Mr. MEIGHEN: But we have.

Hon. Mr. DANDURAND: As we have, I heartily agree with the suggestion.

CANADIAN NATIONAL—CANADIAN PACIFIC BILL

Hon. Mr. LEMIEUX: How long does the right honourable gentleman think it will take to complete the drafting of the Railway Bill?

Right Hon. Mr. MEIGHEN: One might say that the drafting is now complete. Some amendments will have to be made when we come to consider the clauses finally, one by one, but so far as I know, we can commence with the final consideration of the clauses upon our return.

Hon. Mr. DANDURAND: After we have decided on the principle.

Right Hon. Mr. MEIGHEN: After we have decided on that; subject to our being persuaded to the contrary by the honourable gentleman.

At 6 o'clock the Senate took recess.

The Senate resumed at 9 p.m.

On motion of Right Hon. Mr. Meighen, the Senate adjourned during pleasure.

After some time the sitting was resumed.

THE ROYAL ASSENT

The Hon. the SPEAKER informed the Senate that he had received a communication from the Assistant Secretary to the Governor General, acquainting him that the Right Hon. L. P. Duff, acting as Deputy of the Governor General, would proceed to the Senate Chamber this day at 10.30 p.m. for the purpose of giving the Royal Assent to certain Bills.

53721—133

APPROPRIATION BILL No. 1

FIRST READING

A message was received from the House of Commons with Bill 12, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1933.

The Bill was read the first time.

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of the Bill.

Right Hon. Mr. GRAHAM: What is the amount of it, and what is it for?

Right Hon. Mr. MEIGHEN: The total is \$1,534,957.08. I shall give only the larger items that go towards making up this sum: \$209,350, cost of administration, construction, purchase of land, supplies and equipment, maintenance and discharge of inmates of penitentiaries, including compassionate allowance of \$500 to relatives of Mike Bihun, accidentally killed on April 15, 1932; \$169,788, health of animals, administration of the Animal Contagious Diseases Act and the Meat and Canned Foods Act; \$35,000 for mail subsidies and steamship subventions, for service between British Columbia and Australia; \$31,500 for National Battlefields Commission; \$975,000 for unemployment relief, and \$100,000 for the administration of the Canada Grain Act.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

The Senate adjourned during pleasure.

THE ROYAL ASSENT

The Right Hon. L. P. Duff, the Deputy of the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Right Hon. the Deputy of the Governor General was pleased to give the Royal Assent to the following bills:

An Act to amend the Excise Act.

An Act to amend The Canada Grain Act. (Domestic grain.)

An Act to amend The Montreal Harbour Commissioners' Act, 1894.

An Act respecting a certain Trade Agreement between His Majesty's Government in Canada and His Majesty's Government in the United Kingdom.

An Act respecting a certain Trade Agreement between the Dominion of Canada and the Union of South Africa.

An Act respecting a certain Trade Agreement between the Dominion of Canada and the Irish Free State.

An Act respecting a certain Trade Agreement between Canada and Southern Rhodesia.

An Act to amend the Customs Act.

An Act to amend the Customs Tariff.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1933.

The Right Hon. the Deputy of the Governor General was pleased to retire.

The House of Commons withdrew.

The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, January 31, 1933, at 8 p.m.

THE SENATE

Tuesday, January 31, 1933.

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

Prayers and routine proceedings.

STATUS OF THE LEAGUE OF NATIONS

INQUIRY

On the notice:

By Hon. Mr. Casgrain:

That he will call the attention of the Senate to the status of the League of Nations, and inquire:

1. When did Canada pay its last annual dues to the League of Nations?

2. What was the amount?

3. Are there any nations who have neglected to pay their dues?

4. If so, what are the names of these countries, and how much does each of them owe?

5. Does the League of Nations charge interest on these deferred payments?

6. Has the League of Nations collected any interest on these deferred payments since its inception; if so, how much, and at what rate of interest?

7. When did China pay her last dues to the League of Nations?

8. How much does she owe to the League of Nations without interest?

9. Is it true that the Chinaman who represents the Celestial Empire at the League of Nations has received an appointment from the League of Nations, which permits him to live at Geneva and attend the meetings of the League?

Right Hon. Mr. MEIGHEN: The answer is as follows:

1. November 14, 1932.

2. \$220,613.94.

Right Hon. Mr. MEIGHEN.

3. Certain States members of the League are in arrears in respect of their contributions. The percentage of payments made by States members of the League since 1919 is shown in the following table:

	Per cent
1919..	100
1920..	99.5
1921..	99
1922..	99
1923..	99
1924..	98
1925..	98
1926..	98
1927..	98
1928..	98
1929..	95
1930..	94

4. The States members of the League in arrears on September 1, 1932, and the balance then due in each instance are shown in the following table:

States—	Total of balance due September 1, 1932 Gold francs
Albania..	29,561 77
Argentina..	2,408,700 71
Bolivia..	910,794 07
Chile..	443,809 94
Colombia..	43,408 21
China..	9,462,645 93
Cuba..	311,654 18
Guatemala..	84,022 17
Haiti..	28,636 30
Honduras..	264,327 98
Hungary..	64,173 37
Liberia..	35,012 47
Nicaragua..	244,842 85
Panama..	29,940 39
Paraguay..	112,362 29
Peru..	2,217,632 23
Dominican Republic..	34,932 71
Salvador..	30,002 16
Uruguay..	292,700 14
Total..	17,049,159 87

5. Arrangements have been made with certain States in arrears for consolidation of their arrears payable on account in instalments spread over twenty years.

6. No.

7. On the 22nd March, 1932, China paid 484,583.47 gold francs, being the annual instalment on her contributions in arrears fixed by the special funding arrangement made in 1930. On the 12th September, 1932, China paid 772,207.40 gold francs towards her contribution for the financial period 1932.

8. Sums due by China to the League of Nations on the 28th January, 1933, amounted to: 8,743,212.22 gold francs consolidated arrears; 719,433.52 gold francs in respect of financial period 1931; 772,435.27 gold francs in respect of financial period 1932.

9. It is not true.

Hon. Mr. CASGRAIN: I gave notice that I would call the attention of the House to this matter, but in view of the statement by the right honourable leader of the Government I would ask that the discussion be adjourned till the next sitting of the House, so that, before making any remarks, I may have an opportunity to consider the answers given.

Right Hon. Mr. MEIGHEN: There is nothing to be said. The answer is complete.

Hon. Mr. CASGRAIN: I gave notice that I would call the attention of the Senate to certain matters.

Hon. Mr. SHARPE: Go ahead.

Hon. Mr. CASGRAIN: It requires some preparation to discuss these answers in an intelligent way; and after reading them I may have no remarks at all to make.

Hon. Mr. McMEANS: Move the adjournment of the debate.

Hon. Mr. DANDURAND: I think my honourable friend (Hon. Mr. Casgrain), having accepted the answer of the right honourable leader of the Government, would be more in order if he gave another notice.

Right Hon. Mr. MEIGHEN: If the honourable member will give another notice—

Hon. Mr. CASGRAIN: That is easy.

Right Hon. Mr. MEIGHEN:—I shall live in hopes that he will deal with these answers in an illuminating way.

Hon. Mr. CASGRAIN: I always do so.

NATIONAL RESEARCH BUREAU

INQUIRY—MOTION FOR RETURN

Hon. Mr. CASGRAIN inquired of the Government:

1. When was the National Research Bureau established?

2. How much has the Government paid in money for the salaries of the employees of the National Research Bureau, for its buildings, and everything whatsoever connected with it, to date?

3. Has Canada received any tangible returns in money or help from that institution?

Right Hon. Mr. MEIGHEN: Honourable members, Dr. Tory, who was preparing the answers to these questions, has become ill, and I suggest that this notice be changed to a motion for a return. I am told one of the answers will occupy about twenty pages.

The Order stands as a motion for a return.

CONTROL OF MOTOR TRANSPORTATION IN CANADA

NOTICE OF MOTION

On the notice of motion:

By Hon. Mr. King:

Resolved: That in the opinion of the Senate the Government of Canada should bring into conference the provincial governments, the executives of the Canadian National and the Canadian Pacific Railways, and representatives of the newer form of transportation, as obtains in the autobus, motor truck and aeroplane services, with a view of formulating regulations for them of an interprovincial or national character which would permit of their normal and proper development, and prevent unfair and unwarranted competition with our railway systems.

Hon. Mr. DANDURAND: I have been informed by my colleague (Hon. Mr. King) that he would be unable to be present this evening, and that he thought this question might be answered by a general statement from my right honourable friend (Right Hon. Mr. Meighen). The resolution bears on the desirability of a conference. I understand that a conference was held in Ottawa two weeks ago. Perhaps the right honourable gentleman could give us some information as to the conclusions arrived at by that conference.

Right Hon. Mr. MEIGHEN: The conference to which the honourable gentleman refers took place a week or ten days ago, but the railway companies did not participate, as the conference was merely one between the Dominion Government and the provincial governments. Although there was an interesting discussion of this question, I am not at liberty at the moment to make any statement as to the result; but I know of no reason why the honourable senator should be precluded from making his motion. I should think a discussion on the proposed resolution, led by the honourable senator, would be very useful at this time, entirely irrespective of what took place two weeks ago. I can at least intimate to honourable gentlemen that there is still much to be done.

The notice stands.

CANADIAN NATIONAL-CANADIAN PACIFIC BILL

MEETING OF COMMITTEE

On the motion to adjourn:

Right Hon. Mr. MEIGHEN: Honourable members, I hope I may not be considered presumptuous if I intimate that the Railway Committee is to meet to-morrow morning at 10.45.

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

THE SENATE

Wednesday, February 1, 1933.

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

Prayers and routine proceedings.

NATIONAL RESEARCH BUREAU

MOTION FOR RETURN

Hon. Mr. CASGRAIN moved:

That an Order of the Senate do issue for a return showing:—

1. When was the National Research Bureau established?

2. How much has the Government paid in money for the salaries of the employees of the National Research Bureau, for its buildings, and everything whatsoever connected with it, to date?

3. Has Canada received any tangible returns in money or help from that institution?

The motion was agreed to.

BRITISH PREFERENTIAL TARIFF

SHIPMENT VIA CANADIAN PORTS

Before the Orders of the Day:

Hon. W. E. FOSTER: I should like to draw the attention of the right honourable leader of the Government to the report appearing in the press that a test shipment of grain which was sent from New York on the steamer Britannic and arrived in Great Britain about two weeks ago may be given the British preference. May I ask the right honourable gentleman to call the attention of the Government to that report? I submit this request in the hope that representations may be made by Ottawa to London to preserve the preference given to Canadian railways and ports in connection with the handling of Canadian grain, which in the past two months has afforded employment for Canadian railway men and port workers. I bring this matter up at this time only because it is

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of urgent importance to the Canadian maritime ports.

Right Hon. Mr. MEIGHEN: I will see that the Leader of the Government has notice of the honourable gentleman's remarks at once.

TRIBUTES TO DECEASED SENATORS

THE LATE HON. SENATORS ROSS, TODD, DANIEL AND BUREAU

Right Hon. Mr. MEIGHEN: Honourable gentlemen, we meet again, in this resumed session, under circumstances of peculiar sadness: during the short interval of our adjournment no less than four of our members have passed from the scene of this life. Of the four, three at all events were men long identified with the public life of this Dominion; and the only consolatory circumstance that we can summon to our minds is the fact that each of them had passed the allotted span.

Senator Ross, of Moose Jaw, who died very shortly after we adjourned, had been a notable figure in Western Canada through a long period of years. He was one of those thousands who trekked from Ontario into the West in early times, and contributed much to the building up of our present Western civilization. I had not personally the status of friendship with Senator Ross, but long before I had a seat in the House of Commons I had learned that he was a shrewd, far-seeing man whose counsel, always impartial and intelligent, was sought by his fellows, and particularly by the political party of which he was a staunch adherent. Senator Ross was a pioneer in the West, and he was another instance of those who, having started very young on the path of public affairs, go far. In his twenties he was a member of the Legislative Assembly of the old Northwest Territories, and at about the age of thirty contested a seat for the House of Commons. He took a prominent part as a minister in the Territorial Government, and later became Commissioner of the Yukon, but retired early from that post, and was elected to the Commons in 1902. Those who knew him best testify to the peculiar illumination of his mind and the soundness of his judgment in matters not only of business, but also of public affairs. Though he never seemed to seek high office himself, those in high office very often hied to him to get the benefit of his advice. He had the proud satisfaction, while still active himself in political matters, of witnessing the return to the House of Commons of his son, who took a very considerable and creditable part in the deliber-

ations of that body over a period of years. This must have given him much joy. I am sure that this House and all who have shared with Senator Ross the burdens of public life will join with me in extending sincere sympathy to his son and to the other members of his family.

Senator Todd occupied a briefer space in public affairs. I shall find it hard to speak of Senator Todd in terms unmixed with emotion. He was one of those peculiarly unselfish men whose counsel could be sought in the certain assurance that it would be given without the remotest trace of self-interest. Anything that might bias his judgment seemed to have no place at all in his constitution. From the wealth of his experience and the high quality of his intellect, he gave of his best while he was in public life. I never felt quite so free to seek the advice of perhaps any other member of this honourable body as I did in consulting Senator Todd when such difficulties or complications arose as seemed to me to warrant my asking for his time. In the Province of New Brunswick, in which as a business man he rose to very great successes from a beginning of very great difficulties, his name stood remarkably high. He was recommended, I well recall, for summons to this Chamber by the late Hon. Frank Carvell, and I venture to say that New Brunswick has sent none other to the Senate of Canada who has left upon his fellows a mark so permanent, and in their hearts a stronger affection. He is survived by a widow and a son of promise, and to them we extend our sincerest sympathy.

Senator Daniel had reached a very ripe age, an age so ripe that he had become one of the grand old men of our country. But, though his years were many, he never permitted the shortness of vision of old age, or the hankering for times and conditions of the past, to obscure his judgment of the present. His steps was always strong, his look was always forward, and his pathway through public life, over a period of nearly thirty years, was one highly to his own credit and to that of the province from which he came. It is rare indeed that we find a man active in public service who is forward-looking, hopeful and helpful at the age of eighty-eight.

I now come to a reference to the last of those who have left us, Senator Jacques Bureau. In doing so I know I approach the memory of a personality which had about it more distinctiveness than is the lot of human beings in general. It was not a personality difficult to analyse, but a most interesting one. He had developed a philosophy of life which apparently was not acquired by conscious

intellectual effort, but was born in him, a part of his being. It was a philosophy of good cheer, of absolute sincerity, of real tolerance to all men. He not only never wished to make an enemy, but seemingly was incapable of making one. Through a long and somewhat eventful career he met all the vicissitudes which from time to time opposed him, with a delightful good humour and a fascinating aggregation of qualities, and I venture to say that the number of those whose passing from our country would be more widely and more deeply lamented than his is very small indeed. The tributes paid him, not only by the press, but by both humble and great of his own province, are themselves a testimony to the remarkable personality which is now no more. I am sure my humble sentences will be followed by the words of others who knew him even better. These together will go in deep sincerity to his widow, to his daughter and to his son and son's family as testifying the very profound respect and affection in which he was held by this body.

Hon. Mr. DANDURAND: My right honourable friend has spoken with such felicity in word and thought of our departed colleagues that I hesitate to follow him at this moment. The longer we serve in this Chamber, the more do we feel that we are bound together by ties of friendship which make us virtually one family.

I remember the coming to this House of the late Mr. Ross. He had already been stricken with that disease which prevented him from expressing his opinions in this Chamber; but he was a wise man in counsel. At the time of his coming there was a gathering of Westerners who were sharing the same room. Two of those Westerners were Robert Watson and Finlay Young from Manitoba; there were six or seven others, and the discussions were always most interesting. I give those gentlemen credit for the knowledge that I acquired of the West. Between those stalwart pioneers of Manitoba and Jim Ross, as we called him, I think I gathered as much information as I could have gathered from any dozen men on the situation in Manitoba, in Saskatchewan, and even farther west, in Alberta. As my right honourable friend has said, Senator Ross possessed a maturity of judgment and a mental poise that generally enabled him to give as fair an opinion as could be got from anyone on matters that were before us or loomed on the horizon. I know Sir Wilfrid Laurier often turned to him for information on any question arising in the Western Provinces. He sat behind me, and quite often I asked him to come and sit by

my side, but he preferred to remain in his chosen seat. He was always ready to give me advice when I desired it, even at short notice. The Senate of Canada has lost a man of sterling qualities in the person of the late Senator Ross. While in Moose Jaw on one occasion I saw the impress of Mr. Ross upon his city. I remember one day I mounted a hill and, noticing a fine building, I asked my guide for information. He said: "That is the Ross School, put up by his friend Senator Calder."

Of the late Hon. Mr. Todd I can testify with respect to his many agreeable and engaging qualities as mentioned by my right honourable friend. I may be disclosing a secret when I say that during the eight years I sat on the other side as leader of the Government, facing a large majority on this side, I would at times discuss with Senator Todd a measure then engaging our attention, in order to ascertain the mean opinion of the Senate on that measure, for I felt that his opinion, based on independence of mind and sincerity of purpose, would be a sure guide to me in the legislation I was sponsoring. I always found him a most agreeable man, a man of sweet disposition, disposed to smile upon every one and to help to the best of his ability the carrying on of the affairs of Parliament, and particularly of the Senate.

The late Dr. Daniel, who came from the same province as the late Mr. Todd, was, as my right honourable friend has said, a stalwart among us. He participated in many debates, always bringing his ripe experience and broad knowledge to the solution of the problems before us, and in committees he followed with close attention all the matters referred to them. I can still see him in my mind's eye attending to the general economy of the Senate. For many years he presided over the Committee on Internal Economy and Contingent Accounts, the chairmanship of which he relinquished only at the beginning of this session. He was liked by us all. He took such an interest in all things that, indeed, we shall miss him in every committee in which he sat.

Within the last few days we have lost Senator Bureau. Although he belonged to my province—coming from Three Rivers—and was a militant politician, an ardent warrior in the political field, I had not come into close contact with him prior to his appointment to the Senate. In his activities in this Chamber I observed that the qualities which had distinguished him in the Commons were still alive, that he expressed himself with clarity, with conviction, with

Hon. Mr. DANDURAND.

sincerity. He rose to speak in this Chamber only when he was prompted to discuss some argument that had been overlooked or that needed to be answered. In the last few years I discovered what it was that made Senator Bureau such a genial companion, a man universally liked—his very big heart. While Solicitor General he was associated with my honourable friend from North York (Hon. Sir Allen Aylesworth) in the administration of the affairs of the Justice Department. When they met again here he became by his friendly attention almost a twin brother to my honourable friend, whose health was not as good as it is now, and it was very pleasant to see them as they moved about this building, one relying on the other, and both enjoying a companionship which we envied them indeed. One day Senator Bureau asked me to transfer to a room near his own the late member for Kennebec, Senator Lavergne, who had become very infirm. Senator Bureau was looking after his colleague's personal comfort at the Chateau Laurier and was desirous of giving him the same care and attention during his attendance here. For several nights he stood by his friend's side and devotedly attended him. Indeed I think the late Senator Bureau might have taken care of a whole hospital, his heart ever prompting him to bend over those who needed help.

In these four senators who have left us we have a fair idea—perhaps I am boasting—of the complexion of this Senate. At all events, there was an aggregation of men of whom we, their surviving colleagues, may well be proud.

Hon. Mr. CALDER: Honourable members, since I have been a member of the Senate—some twelve years—I cannot recall an occasion when we have lost so many prominent members in such a short period of time. When we adjourned last November we little thought that when we met again there would be three vacant chairs in our midst.

Naturally we all feel keenly the loss of friends and comrades who were with us so recently. We also realize that the departure of four of our colleagues who for long years played so important a part in our political life is a distinct loss, not only to the Senate, but to Canada as well. Personally I desire to join with all our members in an expression of sincerest sympathy for the bereaved families and relatives of those whom, in this life, we shall see no more.

Owing to a very intimate friendship with one of our late colleagues, extending over many years, I am impelled to make more than a passing reference to his real character,

worth and services. I refer to James Hamilton Ross. I well remember my first meeting with him, in 1891—forty-two years ago—in the office of Dr. Turnbull, on the main street of the then little town of Moose Jaw. At that time his son, J. Gordon Ross, who was a member of the last Parliament, had not been born; and it was not till fourteen years later that the provinces of Saskatchewan and Alberta were established. From the day of our first meeting till we last parted, a few short weeks ago, we remained close personal friends, with the result that I knew the man, the real Jim Ross, as very few, if any, now surviving him did.

We have had in the press, and here to-day, sketches of his life and of his public services. These I shall refer to but briefly, as they are well known. I desire, rather, to give you a glimpse of the man and his worth prior to the time of the great calamity that struck him down thirty-two years ago, when he was but forty-five years of age.

Young Ross, of sturdy Scotch stock, was a born pioneer. With the full approval of his parents, he trekked to the little-known open stretches of the Canadian West some time in the seventies—I cannot give you the exact date, but he could not have been more than twenty-two or twenty-three years of age. I can readily recall many stories relating to his experiences in the regions of the Lake of the Woods and Lakes Winnipeg and Manitoba, and of his early travels over the vast prairies, from Fort Garry to the Rocky Mountains. Finally, a year or two prior to the advent of the Canadian Pacific Railway, he entered for a homestead, on part of which the city of Moose Jaw now stands.

In the winter of either 1891-2 or 1892-3, when I was living in Moose Jaw, his aged father nearly lost his life. The elder Ross was in the village one evening when a blizzard sprang up. He immediately started for home. With difficulty he reached the fence surrounding part of the farm, and finally groped his way to the gate; but, although the house stood only some 150 yards away, he never reached it that night. Hour after hour, all night long, the old man tramped up and down, backwards and forwards, in a small coulee that gave some shelter from the howling storm that raged all about. In the morning, with the aid of daylight, he finally reached home. Though badly frost-bitten, he soon recovered.

This selfsame spirit of pluck and endurance often aided the son in his many pioneering and travelling experiences. I recall that on one occasion Jim Ross and a companion were

caught in a blizzard somewhere between Willow Bunch and Moose Jaw, on a treeless plain some ninety miles across. On three separate occasions relief parties were organized in Moose Jaw to search for them, but the storm was so bad that they were compelled to turn back. Without going further into detail, all I need to relate now is that Ross and his companion, when they realized the nature of the approaching storm, sought shelter in the nearest dip or roll in the prairie, pitched their small tent, and, fastening it securely and banking it high with snow, settled down to wait till the blizzard blew itself out. In similar circumstances many of the early pioneers lost their lives.

The varied experiences of the late Senator Ross, whilst he roamed the prairies in the late seventies and in the eighties, fitted him as nothing else could for his subsequent career and work. In the early days there was scarcely a pioneer in that vast territory from the Red River to the Kicking Horse who did not know him in person or by name. On the other hand, wherever he went he always made it his business to study the needs, hopes and aspirations of the settlers and ranchers.

In the Northwest Territories at that time there was little or nothing in the way of government as we now understand it. Finally, however, the Northwest Assembly was established, with very limited powers, and in 1883, at the early age of twenty-seven, young Ross was elected by popular vote as one of its members.

From that time forward he devoted a great deal of his time and energy to the struggle, first, for full responsible government, and later on, for the establishment of autonomous provinces. His first partner in this struggle was Frank Oliver, of Edmonton. Later on they were joined by Fred Haultain, a young lawyer of Macleod, who became their very able leader. Mr. Haultain, now Sir Frederick Haultain, is Chief Justice of the Appeal Court of Saskatchewan. Mr. Oliver became Minister of the Interior after the resignation of Sir Clifford Sifton, and later was a member of the Board of Railway Commissioners for Canada. First Oliver, then Ross and Oliver, then the trio, Haultain, Ross and Oliver, and finally Haultain with other associates, battled long and strenuously for the same rights, powers and privileges for the people of the plains as were enjoyed by Canadians living elsewhere in the Dominion. Eventually success crowned their efforts, and in 1905 the Autonomy Acts, creating the provinces of Saskatchewan and Alberta, were passed by Parliament.

The Jim Ross of those days was a real force—energetic and resourceful. On the platform he had few equals. While not an orator, he was a very rapid and convincing speaker, and his universal popularity always ensured him a warm and spontaneous welcome wherever he went. In my day in this Chamber I have never heard his voice raised in the way that I was accustomed to hear it in the West. But there was a reason for that.

In 1901 Mr. Ross was appointed Commissioner or Governor of the Yukon. At that time the big gold rush was on the wane, but there were still turbulent days and trying situations for those in authority. That the new Commissioner did his work well has been fully attested by all who followed his regime. It was a trying time, with endless work and worry, but the Commissioner never spared himself, with the result that his health and strength were considerably undermined. Then, suddenly, in August, 1901, with the wreck of an ocean steamer, he lost his wife and baby child at sea. Not long afterwards he suffered a severe stroke, and it was only after many months of careful nursing and the greatest care that he partially recovered his old-time vitality.

In 1904, some twenty-nine years ago, Mr. Ross was appointed a member of the Senate, but he was under strict medical orders never to take part in our debates. He was nevertheless a member of our more important committees, and attended their meetings regularly. It was more in quiet private conversation than in the hurly-burly of House or committee work that his sound practical common sense and unusually good judgment were helpful in dealing with the problems that came before us.

As a man among men our late colleague, as I knew him in the old days, had few equals. He possessed to a remarkable degree all those qualities of head and heart that lead to popularity. To the very end he retained his cheerful, sunny, sympathetic disposition. Throughout his entire span of life he was always Jim Ross to all who knew him. Here we were always glad to meet and greet him. His private life was ever characterized by kindness and generosity and within his family circle he was an ideal husband and father. He was beloved by all.

The end came suddenly, and without pain, at the comparatively ripe age of seventy-seven. Truly may it be said in the broadest and best sense that his was a useful life. The historical records of Canada, more particularly those of the pioneer days of Western Canada, will for ever carry his name on their

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pages. As for those of us who knew him in his declining years, we shall always cherish his memory.

Hon. H. S. BELAND (Translation): I desire to join my honourable friends who have preceded me in expressing the deepest sympathy of this House to the bereaved families of honourable senators Ross, Todd and Daniel; and I whole-heartedly subscribe to what has been said in eulogy of these departed colleagues.

Honourable senators, death, which ruthlessly cuts down the dearest and most precious lives, has just left a great void among us in taking from us our lamented colleague Senator Jacques Bureau.

Well merited, indeed, is the praise bestowed upon him, a few moments ago, by the honourable gentlemen who so ably lead the deliberations of this Chamber. My purpose in rising at this time is simply to add the humble corroboration of a French-speaking voice from Three Rivers, and to lay upon this newly-closed grave the affectionate and respectful tribute inspired by an old, a warm and unalterable friendship.

It is scarcely believable, honourable senators, that never again shall we look upon his face, so open, so jovial, so sympathetic, which for nearly thirty-five years was one of the ornaments of parliamentary life.

A munificent Providence had endowed our colleague Jacques Bureau with admirable qualities. He had been granted the rarest gifts of intellect and the finest qualities of heart and mind. Indomitable energy and many years of unremitting toil had brought into prominence these gifts and qualities and carried him to the highest ranks, both in the legal profession and in the public life of Canada. We owe it to his memory to proclaim that the fine talents entrusted to him were ever used in the most sacred causes and for noble ends.

His love—I might say his passionate love—of country and race, his devotion to his family, his pursuit of truth and justice and the performance of innumerable works of charity and kindness—these were the characteristics that distinguished him in the course of his fruitful career, in which he was actuated always by the generous impulses of his heart and an untiring activity. Perpetual youth seemed to adorn his brow and radiate from his whole person. His mere presence in a group sufficed to create a cheerful atmosphere, and everyone sought his company for the very reason that his mental disposition had the happy effect of dissipating gloom, as if by magic, and spreading sunshine.

How much moral distress, how much physical misfortune he relieved! Tactfully, quietly and

unostentatiously, throughout his life, he followed the example of the Good Samaritan in allaying or mitigating suffering wherever he could find it.

From one end of the country to the other, honourable senators, the death of our colleague causes bitter sorrow. But it is especially in his dear old city of Three Rivers that his memory will be enshrined with fadeless and perpetual flowers. From there will ascend towards him the incense of affection and gratitude.

And this feeling of devoted gratitude that rises from the hearts of his fellow-citizens of Three Rivers will not be short-lived. No. It will continue to be wafted up to his soul and hover round about it as long as the peaceful waters of the majestic St. Lawrence shall reflect on their limpid surface the beautiful countryside in whose bosom our lamented colleague and friend sleeps his last sleep.

The sorrow that weighs upon the soul of his family, and upon us, will be softened, let us hope, by the thought that he has entered upon another life, a life immune from care, where hearts abounding in charity, solicitude and loyalty receive their final reward—a consoling thought, indeed, which the great poet Victor Hugo has strikingly expressed in these lines:

Je dis que le tombeau qui sur les morts se ferme,

Ouvre le firmament;

Et que ce qu'ici-bas nous prenons pour le terme

Est le commencement.

Hon. F. B. BLACK: Honourable senators, my only excuse for rising at this time is that I cannot let the occasion pass without referring to two senators from the Province of New Brunswick who have departed this life since last we met here. I am in entire accord with all the kindly and generous remarks that have been made with respect to our four colleagues who have passed away, but I wish to speak particularly of Senators Daniel and Todd. Both were prominent in the public and social life of their province, and in their departure the province has suffered a loss which it will be very difficult to fill.

Senator Daniel was of an older generation than I, and I was not as intimate with him as I was with Senator Todd. Nevertheless, I knew him sufficiently well, personally and by reputation, to realize that his personality has left its mark upon Parliament, New Brunswick, and Canada as a whole. He was an outstanding man in his professional life, in his military connections and in the affairs of his adopted city.

Hon. Irving R. Todd it was my privilege to know intimately for many years, but particularly since the War. When I first came to

the Senate he was already a member. At his request I joined him in the room which we occupied until recently, and for the past four years we were desk-mates in this Chamber. I only wish that I could find the words to say what I really feel with regard to Irving Todd. Very little reference has been made to his business relations in his native province. Nothing could be said about the industrial activities from the earliest times on the St. Croix river, which separates the State of Maine from the Province of New Brunswick, without mention of the name of Todd. In that community, where large lumbering operations are carried on, the Todds had a large business, the late Senator's grandfather and father having preceded him in the same line. His father died at a comparatively early age, leaving Irving to take charge of the business. That was at a time of depression, not quite as bad as the present one, but still a very marked depression all over the North American Continent, and he came into control of the business to find it almost in a state of bankruptcy. Never was any man's business acumen more clearly demonstrated than in the case of the late Senator Todd. He relieved that concern of its burden of debt and developed it into one of the most successful enterprises on the St. Croix river, retiring from it only when, at the age of fifty, his health broke down and his doctor ordered a rest.

But Irving Todd was not the type of man who could remain idle, even under a doctor's orders. He was too active in mind to permit himself to rust out, and he at once became actively interested in various other affairs of his town, his county and his province. For a number of years he worked with me on the executive of the New Brunswick Telephone Company. He was one of the most active men in that organization, one whose advice was always sought and usually accepted. He had a particular faculty of endearing himself to those who knew him. Frequently I visited him in his home at Milltown, on the St. Croix river. He had a fine old country house that had been the home of his grandfather and his father. The people of the whole community consulted Senator Todd when in difficulties. He was a depository of the secrets, the troubles and the ills of all the older people in that neighbourhood. Those who wanted advice came to him, and those in search of sympathy knew that in Senator Todd they would find an inexhaustible well. Young people, too, who wanted assistance of any kind always got it from him, if they convinced him that they were deserving.

The attitude of the whole community towards Senator Todd was well demonstrated during the War. He had been a very prominent member of the Liberal Party in New Brunswick, active in all its work, but on the formation of the Union Government he changed his political adherence, as so many others then did. But he continued to occupy the same position in the hearts and minds of all who knew him, regardless of the party to which they belonged; the political aspect did not affect the situation in any way whatever. I think that of very few men could a similar statement be made.

For at least twenty years Senator Todd was one of my two or three most intimate friends. As I have said, we had close relations in more than one business concern, and we also had very close social relations. Senator Todd was a good worker and a good player. What I mean is this, that from the few unostentatious pleasures in which he indulged he derived great pleasure, and he gave a still greater pleasure to those who participated with him.

Some of our colleagues have departed from us. The place that knew them will know them no more for ever, but their memory lingers and will be kept warm in the hearts of those who are left behind.

Hon. J. P. B. CASGRAIN: Honourable senators, I wish to make but a few remarks. All four senators whom we mourn to-day came to this House some time after I did; so I had an opportunity to know them, and I want to associate myself with the tributes that the right honourable leader of the House and the honourable leader on this side have expressed.

I should like to refer more particularly to Senator Ross. We were in the same room for nearly thirty years. Not only did I know him personally, but the members of his family were frequent visitors to that room and it was my privilege to know them. He was the kindest of fathers. No one could be more generous towards, nor have more love for, his own than he had. He was extremely modest. I am now the only one left of seven senators who used to meet in a certain room and discuss matters that were before this House. While the discussion was going on Senator Ross would be walking slowly up and down, never offering any advice or saying anything; but when everything had been explored thoroughly, some one would say, "Well now, Jim, what do you think about it?" His view was generally adopted by the others, and consequently there were very few things of which he approved that were not afterwards approved by this Chamber.

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Senator Ross related to me on many occasions the narrow escapes he had had in his early days on the plains. His passing affects me deeply, and, knowing his family as I do, I could not let this occasion pass without saying these few words. In less than a couple of months four of our members have departed. That shows what shadows we are, and what shadows we pursue.

Hon. A. B. GILLIS: Honourable senators, I want to add a few words to what has been said by way of tribute to those who have passed away in the last two months. And I wish particularly to speak of the late Senator Ross. As has been said, he was a real pioneer in Western Canada. He was instrumental, with his leader, Sir Frederick Haultain, in laying the foundations of our institutions. He was a very capable man and had a brilliant mind. I remember that when I came from a farm to the Territorial Legislature in the year 1893, Senator Ross was Minister of Public Works in the Territories, and I do not think I ever met a man, before or since, who showed me greater kindness than he did then and on many occasions thereafter.

It is most unfortunate for Canada that so brilliant a man was prevented by illness from doing more than he did in the public life of this country. I remember that back in the middle nineties a vacancy occurred in the constituency of Yorkton. I got a wire from Jim Ross, who was then at Regina, asking me if I would drive over to Yorkton to look over the situation. You must remember that at that time we had no politics in the Territorial Legislature. I agreed to go with him and he came down to my town, hitched up a team of ponies to a buckboard, and we spent seven days riding over the prairies, sizing up the political situation in Yorkton. There were many aspirants for the nomination, and while we were not controlling the situation at all, Mr. Ross was looking around for a suitable man as a Government candidate. Although Mr. Ross was a well known Liberal, with strong views, he on that occasion selected a prominent Conservative as the standard bearer.

In connection with the early career of Mr. Ross in the Territorial Legislature, there was an interesting incident that has not been referred to here. Lieutenant-Governor Royal held the view that he alone was responsible for public expenditures, and about half the members of the Legislature supported him on this question. Mr. Ross, who was then the Speaker, believed that the representatives of the people should control the public moneys, and rather than agree with the Governor's

position he stepped down from the Speaker's chair and in that way saved the situation.

I very deeply regret the passing of Senator Ross. We were warm personal friends for more than thirty-five years, and I repeat that it is an unfortunate thing for Canada that he was prevented from taking a more active part in the public life of the Dominion.

Hon. H. H. HORSEY: Honourable members, I would not have risen this afternoon had I not felt constrained to say a few words as a room-mate of my friend, the late Senator Ross, of Moose Jaw. To my leader and others who have known him intimately throughout his long and successful career I leave the estimation of his work and worth.

From our first meeting in the late Senator's room after my appointment, he always treated me as a comrade, and I looked upon him as a splendid representative of a constitutional body like the Senate. His kindness and consideration to a stranger without parliamentary experience, and without any official public service, I cannot forget.

As the months went by and the several sessions came and went, our friendship increased and I came to have a high regard for his ability, experience and judgment, and a real affection for his attractive personality.

He seemed to be ever the same; cheerful, almost buoyant in spirit, never irritable, gloomy or cast down. Even the deepest and deadliest of depressions could not spoil his spirit, nor silence his clear, merry chuckle, for he had absolute assurance more prosperous days would come eventually.

When his eyes began to give him serious trouble, although handicapped also by the partial disablement of one arm, from a previous trouble, he continued fresh in spirit and spotless in attire. Just as he kept every spot from his garments, so he tried to guard his life and character from every blemish. His example and presence here have been helpful, and I know his memory will be also.

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

THE SENATE

Thursday, February 2, 1933.

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

Prayers and routine proceedings.

CANADIAN NATIONAL-CANADIAN PACIFIC BILL

MEETING OF COMMITTEE

Right Hon. Mr. MEIGHEN: Honourable members, at the meeting of the Railway Committee this morning it was decided that we would resume after the House rises this afternoon, and again on Tuesday morning at 11 o'clock. In view of the necessity of having a good attendance on Tuesday morning, I would move that when the House adjourns it stand adjourned until Monday evening next at 8 o'clock. I admit that my purpose is merely to insure a creditable attendance at the Railway Committee on Tuesday. I do not wish to be too insistent, and should like to hear whether honourable members are in favour of the suggested motion. When the adjournment of the committee until Tuesday morning was proposed I had thought that the House could be adjourned until Tuesday afternoon and that most of the members would be here in the morning; but I am now informed that a considerable number would not be here at that time unless the House should resume on Monday evening.

Hon. Mr. DANDURAND: Perhaps the chairman of the committee could arrange for the committee to adjourn until Wednesday morning. Then the Senate could be adjourned until Tuesday evening.

Right Hon. Mr. GRAHAM: I might say that we have again notified the railway gentlemen of Montreal to attend before the committee on Tuesday morning. Of course, that is not an insuperable obstacle to the adoption of my honourable friend's suggestion.

Right Hon. Mr. MEIGHEN: One change having been already made, I should not like to ask the Railway Committee again to rearrange for the attendance of witnesses who are expected to be heard on Tuesday morning. Such a course would appear somewhat inconstant on the part of the committee. I therefore make the motion that we adjourn until Monday at 8 o'clock.

The motion was agreed to.

The Senate adjourned until Monday, February 6, at 8 p.m.

THE SENATE

Monday, February 6, 1933.

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

Prayers and routine proceedings.

REMEDIES FOR UNEMPLOYMENT AND UNREST

PROPOSED RESOLUTION

Hon. PASCAL POIRIER moved:

Resolved, that in the opinion of this House, six hours should constitute one full day's work for labourers, in the manufacture and in the mine, and also for artisans, handicraftsmen and hired common day labourers;

Furthermore, that more effective encouragement should be given to the return to the land.

He said: Honourable members, the economic world is out of gear. Take for instance the United States: one-fourth of the world's gold is hoarded in Washington, and ten million men, mostly labourers, are starving for want of gold to buy bread. The condition of the labouring class here in Canada is about as abnormal. We have hundreds of millions of bushels of wheat stored in our elevators, and out of a population of nine million souls, 800,000 of our citizens would go without their three meals a day if the State did not provide for them.

But, you say, those men in need must be on the sick-list, or in some way incapacitated? Not at all; the greater number of them enjoy full health and are capable of earning a living. Then they refuse to work? On the contrary, they are clamouring for employment. What, then, is the trouble with them? What is the cause of all this? The cause of all this is that everything is going wrong; that the world is not turning on its normal axis; that our vaunted civilization is lagging behind.

Honourable members, nearly one million of our countrymen are destitute and are calling upon us for bread and shelter. What are we to do? We are voting annually thirty, fifty, sixty millions of dollars for their relief. But did it ever strike you that this dole, as we call it, is nothing but a form of Socialism, the worst form of all; that the State is supplying a livelihood to able-bodied men, men capable of producing a revenue, and is receiving nothing in return; that it is actually encouraging idleness and mendicancy?

The day will come when the public treasury will have been exhausted, and the State will no longer be capable of supplying food to her pensioners. These will continue to go hungry three times a day, and they will keep coming to us, in increasing numbers, clamouring for

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bread and relief. What will happen then? Idleness is of evil counsel. A British citizen capable of earning wages, and willing to work, soon tires of begging and of receiving alms. That degrading condition is distasteful to him. Before long he gets to hate the hand that feeds him. The French poet was right who said: "Notre ennemi, c'est notre maitre."

What are we to do to avert such a calamity, to save our civilization, which is shaken to its very foundations? This is what I invite you all to inquire into with me.

Now, before applying a remedy, a good physician carefully examines the patient he is called upon to treat; he goes into the remotest causes of the disease and makes a thorough survey of the physical conditions of the patient. Then, after making as accurate a diagnosis as possible, and then only, he applies a remedy. This is what we are going to do together.

The outward, visible and tangible symptoms of the ailment from which the world suffers are the want of means to enable a very large number of common day labourers and artisans to earn their daily bread, the resulting discontent, and the rumbling threats of a general uprising. What causes all this? If we want to be sure of our diagnosis, we must first go deep down into the history of labour.

At all times, from the remotest periods, we find two categories of men plainly distinct—the toilers and the reapers; the former working the whole day long, and the latter enjoying the fruits of their labours. "Sic vos, non vobis." To the former, subjection and abjection; to the latter, possession and authority.

Let us take slavery, for example. Slavery is unnatural; slavery is hell on earth. Now, slavery, in one form or other, has existed from the remotest ages. At the time when Socrates was preaching the unity of God and the immortality of the soul, three-fourths of the population of Athens consisted of slaves. Under the Roman emperors the condition was still worse. I recall only the two most polished nations of antiquity. We find that slavery existed in the United States until the War of Secession, and here, in Ontario, up to 1774. It was only in 1772 that the courts declared it non-existent in the United Kingdom of Great Britain and Ireland.

True, slavery was banned from continental Europe, by the Church, during the Middle Ages, but serfdom and villainage were substituted in its stead, by the barons and the dignitaries; and oftentimes serfdom and villainage were worse than slavery.

For the serf and the villain—our forefathers, honourable gentlemen, were villains—the working hours were from sunrise to sun-

set. Women and children were not excepted. A law was enacted in England, in the fifteenth century, exempting from universal corvée children under the age of eight years. The ordinary working day for menials and peasants at that period was twelve to fourteen hours.

Why go back so far in history to ascertain the intolerable servitude of the common labourer and of his wife and children? Within the memory of the present generation the working day here in Canada, not only for the common labourer, but for the artisan as well, was from ten to twelve hours. To-day in Nova Scotia it is over ten.

But, you will ask me, what have we to do with all that? This, honourable gentlemen, is the hidden germ. What had we to do with the disobedience of Adam and Eve in the garden of Eden, that we should be held responsible, in this world and in the other, for the misdoing of our common father and mother?

There obviously exists a law, not well understood, but just and equitable, since it is of God, that makes us answerable—to what extent I do not know—for the misdoings of those of our kind—a law of human solidarity. It is generally the innocents who atone for the guilty. To this law is due the Redemption of mankind. The debt sometimes remains years, nay centuries, in suspense, but immanent justice requires that it be settled sooner or later. It is of necessity that all standing accounts do, some day, balance, by way of payment; that equations in all things be established. Now, the date for the settlement of the abuses, of the injustices, of the crimes of the past is maturing, has apparently arrived. The day of reckoning is at hand. The governing powers of to-day, who occupy the position of the governing powers of yore, are summoned by the governed classes, who, in their turn, represent the misused and exploited classes of past ages, to come to a settlement of accounts, to strike a balance. The liabilities of our predecessors weigh upon our shoulders, rest upon our heads.

All this sounds like extracts from the Apocalypse, I hear you say. It may be so, but it is nevertheless something that also sounds like a formidable truth.

The labouring classes have another grievance, less momentous, perhaps, than the accumulated injustices of past ages, but actual and more acute: they complain that in the distribution of the boons which were all destined by universal democracy, coupled with the marvellous inventions of the nineteenth and twentieth centuries, for the alleviation of the condition of mankind, they are not getting a fair share—in fact, that they are

getting comparatively nothing. As a consequence they are thrown out into the cold world, and thousands of them forced to beg lamentably for a morsel of bread for their starving families and themselves.

To these two main grievances that the labouring classes have against the world to-day must be added the wail of the farmer and the cry of despair of the manufacturer. Altogether, the total amount of obligations to be met is stunning. We must not forget that the duty of making a settlement, or at least a compromise, devolves upon us as legislators.

But did we not hold, here in Ottawa, last summer, an Imperial Conference of the United Kingdom and of all the British colonies, and enter into fiscal agreements destined to relieve the situation? Is it not also true that we are just out of another conference, that of the Canadian provinces and of the central Government, convened for the same object? All this is true, and, I will add, laudable. As a result of these conferences our economic situation will very likely be improved. Improved, but not healed. The dreaded cancer will remain. Something must be found which will extirpate it, and this with no long delay, for the cancer grows alarmingly.

The murmur that reaches Parliament from the streets is now subdued, for things have not come to a crisis, and the dole appeases the hunger of the multitude. But when the public treasury is exhausted and the dole is no longer forthcoming that murmur will change into a malediction. Harken to the suppressed rumble! It comes from gatherings of unemployed from Victoria to Sydney, from prisons like Portsmouth, St. Vincent de Paul, Dorchester—from everywhere. And what will happen, what can happen, if the rabble, so-called, run amuck and break all restraints?

Remember what happened in France during the Revolution of 1793. Look at what happened in Portugal not so long ago. Look at what is happening to-day in Russia, in Spain, in Mexico. The Czar of all the Russias, the grandees of Spain and Portugal, the clergy of Mexico, once all-powerful, were scattered like dry leaves in a hurricane when the people rose in anger.

All that may be true, but are we, the governing class in democratic Canada, not in a position to quell insurrections? No, my friends, we are not, if lines are drawn and sides taken. Since the granting of manhood and womanhood suffrage, the majority governs, as it did before, but the axis of the

majority has shifted. There is even no necessity of a revolution in Canada to put the administration down and out. It can be done constitutionally, at the polls. Let all the malcontents unite, it is possible that later on they may secure a majority at the polls. What will happen then? They will climb up and we shall climb down, we senators as well as others. If, to use a vulgar expression, we kick, they will look upon us as disturbers of public peace, as insurgents, as undesirables; and, if they deem it necessary for the preservation of order and good government, they may confiscate our properties and show us the road to exile. Such things have happened elsewhere and are actually happening.

Nothing like this is likely to occur in Canada, because our labouring classes have so far had no grievous charge to lay against their employers; they were never oppressed nor wronged by them, and they, as much as we, favour the continuation of the present political regime. But let discontent grow, let the number of unemployed increase to dangerous proportions, let a crisis come, and no one can tell what may happen. As a precaution I would advise the Government to be prudent in resorting to repressive measures. Above all, there should be no shedding of blood. Blood calls for blood. Those who say that quick-firing guns should be used against the Portsmouth, the St. Vincent de Paul, and the Dorchester mutineers are enemies of Canada.

This is a digression. I have, honourable members, given you my views as to the causes, remote and actual, of this universal unrest, and shown the precarious stability of the rock we stand upon. Now, what is to be done? What is the cure for existing evils? At Geneva the question is feverishly put, and it is echoed throughout the world.

If any one among you knows the way out of the darkness that encompasses the world, let him come forward with his lantern, and the world will follow him. A way out, no doubt, exists. Several solutions have been propounded. The only one which, to my mind, can be effected is the shortening of working hours. It alone can go down to the roots of the cancer and eradicate it. The other so-called panaceas may for a time alleviate the evil; none will cure it radically and permanently.

What causes all the trouble to-day is that production exceeds, I will not say the actual demand, but the capacity of the consumer, either at home or abroad, to pay for the goods he requires. The manufacturer, being no longer able to find a market for the products of his factory, fills his warehouses with

them, dismisses, in part or in totality, his working men and goes down the road to bankruptcy. The workmen, unable to pay for what they purchase, exhaust their credit, and finally become state pensioners. Impoverishment above; destitution below; disequilibrium everywhere. What is most urgent is to find work for the labourer.

The ordinary working day in Canada for pick and axe handlers, as also for tradesmen, consisted of about ten working hours. The unions have stepped in and reduced it to eight hours. It must be further reduced. Even a six-hour day is more than sufficient, now that the machine replaces and displaces the labourer of yore. When by legal enactment the day labourer shall not be permitted to toil in the factory, in the mine, on the highway, in the street, more than six hours out of every twenty-four, production will of necessity diminish. To keep up with the demand it will become necessary to double, triple, quadruple the working shifts. This means doubling, tripling, quadrupling the number of wage-earners.

But these are extreme measures! Extreme measures alone, honourable gentlemen, can save civilization to-day. "Aux grands maux les grands remèdes." But, you say, the entire economy of the world will be upset! No, honourable members, it will only be set right.

The labouring classes at the present moment are clamouring for work, and for nothing more. Their request must be adequately met, without one moment's delay. In a well organized community means must be found to enable all able-bodied and willing citizens to earn an honest livelihood.

Another question arises: Will the reduction of the working day to six hours give employment to all? I hardly believe it will. A single machine to-day does the work of from four to twelve hands, and its field of operation covers the whole territory where handicraft was formerly employed. It is invading the home as well as the factory and displacing female domestics. These will swell the army of the unemployed and make the problem of labour still more arduous to solve. Women, as well as men, have a vote. Remembering the "tricoteuses" of the French Revolution, I dread women more than men in times of trouble, as also of panics.

Because of all this are we to despair, and, as the French say, throw "le manche après la cognée"? By no means. There is a Providence on high, Who always puts the remedy alongside the malady. In the present instance there remains the land. The tiller of the land who, during past ages, the world over,

has been subjected to most unmerciful toil, is, according to all appearances, about to come into his own. This will be the adjusting of another equation. Not satisfied with crushing down the man of the glebe, Mother Earth humiliated him. But the cultivation of the land will soon be considered as honourable as any other calling. The life of a farmer is now no longer what it was in years past. He clears his land, he ploughs, he sows his wheat or other cereal, he plants his potatoes, he threshes, he puts in his hay—all with a machine, which he drives as elegantly as his brother in the city drives his auto.

No one commands the farmer. He works when the sun shines, and he takes to shelter when the clouds darken. The city, which has so fascinating an influence on him, will, thanks to radio and television, stand at his door, begging to enter with its concerts, its theatrical presentations, its gorgeous processions, all its sports, all its pageants. The wind, the sun, the distant tide, will supply him with mechanical energy. He will extract from the atmosphere nitrogen with which to fertilize his land. Presto! He will become a gentleman-farmer. Tilling the land will become again what it was under the Patriarchs, one of the most highly considered of all callings. It was so even in Rome under the Republic. Cincinnatus preferred cultivating his ten-acre farm to commanding the Roman legions.

Let the Federal Government, the provinces and municipalities apply the millions of dollars they spend on doles to-day (the Dominion Government has already voted \$115,000,000) towards helping the exodus from the city to the country, buying and equipping farms, supplying instructors, paying fares and the like. Then the jobless and unemployed who now overcrowd the cities will be able, nay, will be forced to do something to help themselves and relieve the public treasury. The vexed immigration question will be partly solved. So will the settlement of discharged female domestics and of unsupported women; they all will find husbands.

Statisticians tell us there are 358,162,190 acres of farm land in the Dominion—and statisticians are sometimes credible. Here we may place millions and millions of settlers. Let us open wide the avenues that lead to available farms, and in three decades the population of Canada will have doubled. St. Thomas Aquinas was right, and was prophetic, when he said that all men should own a plot—"particellam"—of mother land.

But all this again is high fantasy, I hear you remark. Of course it is. But what is fantasy to-day is apt to be stern reality to-

morrow. It is a very unimaginative politician who does not try his luck as a prophet in an age when every recurring day announces some startling invention or new device.

But the capitalists, the lords of trade, the barons of industry, what will become of them? Do not worry. They will continue to hoard money, though on a scale less colossal than they have been doing heretofore. And what is the good of a billion dollars to-day? In times past one could have bought with one billion dollars, nay, with one million or less, all that is purchasable under the sun, to wit: men, women, territories, titles, honours, dignities, consciences—everything, in fact, except dogmatic truth as revealed in the gospels. Riches, titles and dignities hoisted their possessors above the law and conferred immunity on them. To-day let Ford drive his auto at a greater speed than the municipal by-law permits, and, although a billionaire, he will be amenable to the police court. This shows how far democracy has gone. It has gone far enough.

It is our duty to see that its further conquests turn to the betterment of humanity. Revolutions are rampant. Let us turn them into evolutions. Let us show the world, which has its eyes on us, how an impending calamity can be averted; how a devastating torrent roaring down from the mountain can be converted into channels of irrigation.

Another consideration, and it will be the last. This one concerns the role Canada appears to be called to play among nations. Did it ever strike you, honourable members, that the coming into the world of our Confederation is different from the birth of all other known nations, ancient or modern? Kingdoms, empires, republics, since history began, have been founded in the horrors of war, in bloody conquests, in violence, in hatred, in malediction. Canada springs from a friendly conference held in Charlottetown in 1864, and from an Act of the Imperial Parliament passed in 1867. Since 1867 the two component racial elements of our Dominion, the English and the French, have lived and grown up side by side in peace, amity and good-will. No unjust war has ever tarnished our escutcheon. Our glorious participation in the World War of 1914 was to save the Empire, ourselves, and the hegemony of the world.

The wars Canada waged against the United States in 1774 and 1812 were in self-defence. Even prior to the British conquest, the first European settlers of Canada, the French, lived in peace and fraternity with the aborigines. The Mohawks or Iroquois, our only Indian foes, were allies of the warring

American Colonies. We are apparently, I will not say a chosen, but a privileged people. Much will be demanded of him who has received much.

I may again be deemed a visionist, but, as to every man or nation a certain individual role is assigned in the economy of this world, our special mission, as I see it, is to take the torch in hand and lead our sister nations to higher achievements. Excelsior!

This brings me back to my starting point. It devolves upon us who are not fettered by antiquated prejudices and traditions to restore equilibrium in the world, or at least seriously attempt to restore it. I firmly believe the best way to attain this end is by legal enactment to limit to six hours the working day in the factory, the mine, the work shop, in the trades unions, and among day labourers employed by municipalities; also to encourage effectively a return to the land. This may not bring us to the millennium, but it will take us near enough to perceive its distant glimmers rising beyond the mountain.

Hon. Mr. LACASSE: Honourable members, I wish to compliment our dear and venerable friend from Acadie on his masterly address. I do not intend to-night to speak at length on the subject of that address, but it touched so many points concerning the welfare of our country under the most—

Hon. Mr. MURDOCK: Honourable members, I rise to a point of order. Is this resolution formally before the Senate? Has it been duly moved and seconded?

The Hon. the SPEAKER: The point of order is well taken.

Hon. Mr. POIRIER: The motion is moved by myself and seconded by Hon. Mr. Turgeon.

Hon. Mr. McMEANS: While I admire the learned senator's address and agree with a good deal of what he has said, I would draw the attention of honourable members to the fact that the motion is beyond the competence of this House. The Federal Parliament could not pass a law dealing with the hours of labour; it is a matter purely for the provincial legislatures.

Hon. Mr. CASGRAIN: I do not disagree with the honourable gentleman, but I remember very distinctly a long discussion in the House of Commons on the eight-hour day, and I introduced in this House a resolution on the same subject. That was some years ago; maybe twenty or more.

Hon. Mr. POIRIER.

Hon. Mr. McMEANS: It has been decided.

The Hon. the SPEAKER: As the resolution does not call for any action, I think it is in order.

Hon. Mr. LACASSE: I waited a few moments for some one to second the motion, and as no one did, I intended doing so myself, with a view to moving the adjournment of the debate.

Hon. Mr. CALDER: It is quite possible that some honourable member may wish to speak to-night, and in that event the honourable gentleman (Hon. Mr. Lacasse) should hold his motion for adjournment.

Hon. JAMES MURDOCK: Honourable senators, I am quite sure that honourable members on both sides of the House appreciate greatly the kindly thoughts and sentiments that actuated the honourable the senior member of this Chamber (Hon. Mr. Poirier) in bringing this resolution before the House, and in making the remarks he has made to-night; but when I saw this resolution on the Order Paper, and when I heard the discussion that has taken place on it here, I could not help thinking that thousands of citizens of Canada outside of this Chamber would regard it as a great reason for the reform of the Senate. Why? Because, as surely every honourable member of this House knew before this debate started, the matter is none of our business. Both parties in this country have so agreed for many years. If that were not so, why should we not have concerned ourselves long ago with securing the adoption of the eight-hour day? Both parties have indicated that it was neither their business nor their right to interfere in the matter, as it was one over which the provincial governments had exclusive jurisdiction. When, the other day, my good friend the senator from Le Lanau-dièrè (Hon. Mr. Casgrain) asked me if I cared to second this motion, I promptly said no. That did not mean that I was not in full sympathy with a proposal for a six-hour day first, last, and all the time. But far be it from me to inject into this Chamber something with which it has no authority to deal. No matter what we did with regard to it, our action would be, at best, only a graceful gesture.

Hon. Mr. CASGRAIN: The League of Nations takes that kind of action.

Hon. Mr. MURDOCK: It would be just as consistent and logical for this Chamber to enter into the discussion of a resolution that the children of Israel should be given separate schools in the cities of Toronto and Montreal

in order that they might be taught in their own language. The one is just as much our business as the other.

In this connection I cannot help thinking of a letter that came to my desk last Wednesday from an employee of a manufacturing concern not many miles distant from here, a concern which exacts tribute from every citizen of Canada who wears covering over his stockings. This letter indicated that the employees of that concern were working a full week, and that the wages of married men with families were from \$1.75 to \$6 a week. I am wondering what the wage might be for a six-hour day; whether it would be sufficient to enable a man with a wife and family to keep soul and body together. Again, last Thursday there came to my office a clean-cut young Canadian who told me that he had a wife and three children, the oldest of whom was a girl of nineteen years of age, and that he did not have enough money to buy her street-car tickets to enable her to get to the high school that she was attending. He showed me a due bill for \$5.40—what he was allowed for working three eight-hour days in a stone quarry—and said he could redeem it only in groceries and the like. He wanted to know if I could do anything to assist him in getting at least fifty cents or a dollar of that in the form of cash. Of course I could not. So, in considering the length of the day it is equally important to consider whether the day's work is going to bring sufficient compensation to the labouring man to keep body and soul together.

I know something about the shortening of the working-day. I happen to have lived long enough to remember the time when, as a freight brakeman, I got \$1.25 to cover a 115-mile division; and I may say that on many a trip I worked from fifteen to twenty hours—yes, and as long as forty hours—for my \$1.25. Such things have changed, and some of us have been charged with being too radical in helping to bring about the change from the twelve-hour day and the ten-hour day to the eight-hour day.

Now let us talk about a six-hour day. It is coming, but not as a result of any pious resolution of the Senate of Canada. I do not suppose that such a resolution will do a great deal of harm. It has done me no harm to listen to the words uttered by my venerable friend to-night. His action makes us realize that men think about these things in the interest of their fellow men. But I would respectfully suggest to my honourable friend that there is something else to be considered, so that when the shorter day comes, as I think it will have to come if we are going

to divide up the work equitably, a married man with a family, at least in this Canada of ours, will receive a reasonable living wage and will not be expected to subsist on \$1.75 or \$6 a week.

I am not sure as to the benefits or other effects that may accrue from this discussion, but it seems to me that the people of Canada would think more highly of our intelligence and our legislating ability if we were to stick to our knitting and deal with matters in regard to which we have some authority and right.

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

CITY OF OTTAWA AGREEMENT BILL FIRST READING

Bill 15, an Act to authorize an Agreement between His Majesty the King and the City of Ottawa.—Right Hon. Mr. Meighen.

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

THE SENATE

Tuesday, February 7, 1933.

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

Prayers and routine proceedings.

CONTROL OF MOTOR TRANSPORTATION IN CANADA

MOTION

Hon. JAMES H. KING moved:

Resolved: That in the opinion of the Senate the Government of Canada should bring into conference the provincial governments, the executives of the Canadian National and the Canadian Pacific Railways, and representatives of the newer form of transportation, as obtains in the autobus, motor-truck and aeroplane services, with a view of formulating regulations for them of an interprovincial or national character which would permit of their normal and proper development, and prevent unfair and unwarranted competition with our railway systems.

He said: Honourable senators, the object of my resolution was to bring before the Senate a phase of the second part of the report of the Royal Commission on Railways and Transportation. In that report you will find a comprehensive survey of the automobile, motor-bus and motor-truck transportation and its effect upon railway traffic and railway earnings in Canada. It is also shown that this form of transportation is directly

under the control and regulation of the provincial authorities. From the report it will be found that there has been a very great increase in motor vehicle registration since the year 1923. If I may, I will read the figures. In 1923 there were 585,000 registered motor vehicles in Canada. This number increased very rapidly till in 1930 there were 1,239,000, and in 1931, which showed a slight decline, there were 1,206,000. It is shown in the report that the entrance of these motor vehicles into our transportation service has seriously affected the revenues of the railways. The railway earnings from passenger traffic alone, in 1923, were \$77,335,000. In 1926 there was a decline to \$73,709,000, in 1930 to \$61,512,000, and in 1931 to \$43,759,000. There is no doubt that this decrease in earnings has been largely due to the privately owned automobile, though the motor bus also has been a factor.

There is no control over the privately owned automobile beyond the power and desire to own and the regulations imposed by the municipalities and provincial governments. But there is an entirely different situation with respect to the motor bus and motor truck, which are common carriers, and provincial governments have passed legislation to control the traffic of those vehicles to a certain extent. The Commission indicated its belief that, owing to our great distances and sparsity of population, the development of motor-bus traffic would not be as rapid in Canada as in the United States. If I am permitted, I should like to refer to a personal observation I have made during the past year, which does not confirm the Commission's belief. For many years I lived in the Kootenay country in British Columbia. Twelve or thirteen years ago it was considered a more or less hazardous adventure to go from my home in Cranbrook across the Rocky Mountains to the city of Calgary or other parts of Alberta, but the highways have since been improved by the provincial governments and are now well used by motorists. Last year I found to my amazement that every morning a motor bus leaves Spokane, in the State of Washington, for Calgary, Alberta, and one leaves Calgary for Spokane, the service being maintained over roads through that mountainous country. The result is that during the summer season most of the passenger traffic between these points is handled by motor buses, and the services of the railways have been curtailed because their revenues are reduced. I do not believe that motor-bus service has been of sufficient value to warrant the provincial governments

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to make expenditures for maintenance of the roads, due to the wear of that type of traffic. I think inquiries would reveal many similar instances throughout the country.

We in the Federal Parliament have some responsibilities, although we have nothing to do with the regulations. Large sums of money have been contributed from the federal treasury for the building of interprovincial highways which it is hoped by many people will become a national highway across the country from Halifax to Vancouver. If that development is proceeded with, the day may come when the Parliament of Canada will declare that highway in the interest of the people of Canada, as has been done with respect to our railways. If that should happen, it would become a federal responsibility to maintain that highway and regulate traffic over it.

As far as the motor bus and motor truck are concerned, it is not my desire, in bringing this matter before the Senate, that their usefulness should be unfairly curtailed. I believe that if a proper study and inquiry were made by qualified persons who are in the employ of the provincial governments, co-operation and understanding between these governments might result in a plan for enabling these forms of transportation to give the best possible service to the public, without destroying the railway services that we are trying to protect and save. It is not necessary to deal extensively with the Royal Commission's report in this respect. I think the Commission has stated very clearly the proper use of motor-truck transportation. On page 104 of the report it is stated:

The truck has its place in the movement of goods, but its proper function is collective and dispersive and not that of a primary carrier.

I think that theory is sound, and if a study were made of the newer forms of transportation with that theory in view, a very useful purpose could be served.

When, before the adjournment, I placed this resolution on the Order Paper, I had no knowledge of what the Government intended to do, but shortly after the adjournment the honourable Minister of Railways stated in Toronto that it was intended to bring this question before the Interprovincial Conference. It met in January. The right honourable leader of this House, in replying to the honourable leader on this side on January 31, stated that at that conference there had been an interesting discussion on the question. He said also that there was no objection to my bringing the subject to the attention of this honourable body.

Right Hon. ARTHUR MEIGHEN: Honourable senators, I was not aware that the honourable member for Kootenay East (Hon. Mr. King) was to go on with his motion to-day. Had I been, I should have felt it my duty to renew my recollection of various facts and historical data bearing on the subject-matter. The question of the regulation of motor transportation as relating to the whole subject of transportation, and especially to the railways, is one of those very complicated difficulties which have supervened in the evolution of our railway and general transport systems, and likewise in all other countries, but particularly in the republic to the south. I cannot say that what reading I have done and what conferences I have been able to take some part in have yet brought me to a point where any very distinct recommendation has formed in my mind. An enormous amount of material has to be reviewed, and I can assure the House that there is a lot of argument to be presented on both sides.

Perhaps my own collection of material would be presented in a more orderly way if I were to rehearse first the arguments presented on behalf of a rigid system of control of motor transportation. The House should keep in mind, though, that under our constitution, so far as motor transportation is confined within a province, it is a subject for provincial rather than federal regulation. A like constitutional factor presents itself in the United States in relation to the same subject. Such motor transportation as is interprovincial may well come under federal jurisdiction; and undoubtedly the Federal Parliament would have power to tax all motor transportation, whether the termini were within a province or whether one terminus was without.

Then what is to be said on behalf of regulation? The argument mainly is that the chief competitors themselves are regulated; that very cumbersome, very rigid regulations have been enforced by law against our railways: regulations which fix the maximum and the minimum the railways may charge, or even fix the exact rate; regulations compelling them to take traffic from all and sundry; regulations requiring them to charge a specific rate on goods of a certain weight and volume if the goods are of a particular quality, and to charge perhaps five times as much for the same weight and volume if the goods are of another quality; regulations also which compel them to render this service and that service and a whole multiplied list of services at the behest of governmental commissions, who represent of course the public of the country. On the other hand there are no

such restrictions, no such limitations, no such burdens placed upon their competitors who use the highways by means of motor buses and motor trucks. It is argued that the highways are built at common cost, that the railways are compelled to contribute to that common cost, and that the use of the capital so employed is at the service of their competitors, the motor bus and motor truck. Then, too, there are provisions, more or less of a public character, bearing on the wages paid and on the qualifications of those employed on the railways. These also are burdens fixed by statute upon the great railway corporations, burdens from which their competitors are, so far, relieved.

Right Hon. Mr. GRAHAM: And the upkeep?

Right Hon. Mr. MEIGHEN: Then the upkeep, of course, is in the same position as the initial capital investment; that is, the upkeep of the motor road is on the State; whereas the railways are compelled themselves to support the right of way upon which they run.

That these arguments are forcible I believe there is no doubt. To them can be added this, that when you have a great utility which provides transportation or other service for the public in the mass, at very low cost, and which, admittedly, is indispensable—which all agree cannot possibly be allowed to disintegrate and be lost—then it is the duty of the State to see to it that conditions are such as to enable it to operate, and subsidiary and more or less temporary means of transport or service must yield to the paramount necessity of the great public utility operating.

This principle we see in effect in our cities. Take for example Montreal, Toronto or Vancouver, where the big public utility is the street railway. The street railway is granted certain franchises, and it is also compelled to observe certain restraints and give certain services, and everybody admits that it is an indispensable necessity in our large cities now, and will be for many years to come. Consequently our cities adopt regulations which enable that utility to survive. The jitney, for instance, is forbidden. In Winnipeg, I recall, not many years ago, a question arose as to whether the city was to permit the Winnipeg Electric Railway to be smothered in bankruptcy by the fly-by-night jitney, which was run at five or ten cents a trip, and which perhaps would be off the street in a week. The city came to its decision and jitney traffic was prohibited. This was merely a following out of the principle that where you have a utility carrying the public in the mass, an essential utility for the great body of the

people, then such competition as would make the life of that utility impossible should be forbidden.

It is argued that a similar law must apply as respects motor-bus and motor-truck transportation and the railways. Everybody will agree that the railways are not only essential, they are of the very life of this country. Where, for example, would Western Canada be if our great railways were to collapse? The 400,000,000 bushels of wheat which must be transported from that section of the country could not emerge at our ports and reach the market. It is essential that the railways be maintained, and therefore, it is argued, other things less essential and other services which compete with theirs, and which are perhaps ephemeral, must yield to their demands in order that that vital and indispensable utility may not be lost. Such in the main is the case presented on behalf of the railways for the regulation of motor transport.

On the other hand, the case presented by those who would like to see a minimum of regulation applied to motor transport is indeed a formidable one. We have perhaps but little conception of the gigantic dimensions which motor-truck and motor-bus transport has now reached. In the United States, if my recollection is right, the investment in transport by motor exceeds the investment in railway transport for that great country by as much as three times; I think the proportions are 3.48 to one. The investment for motor transport includes, of course, the construction cost of the motor road, and rightly includes that element. The number of passengers carried per mile by motor transport is vastly greater than the mile-passenger figure of the railways.

When you come to analyse the truck and motor transport situation you find that in the passenger field the vast majority of the business to-day is done by the automobile; and in the truck transport field, as I fancy could be gathered from the speech of the honourable member (Hon. Mr. King), the vast mass of the business is done not by common carrier, but by private truck, owned and operated by an individual or a company carrying on another business. The proportion left for the common carrier is relatively very small as compared with what is carried by the individual, the departmental store, the chain store and the manufacturer. So, in the sphere of regulation, we find that the principles applicable to the common carrier do not apply at all in the passenger area, and apply only to a very moderate extent in the freight area.

It is also argued on the other side that already the contribution of the motor traveller

to the revenues of the nation is fully equal to the total outlay of the nation for the support of motor traffic. The figures presented in a very well studied report by a Mr. Hutchison, of the Chrysler Corporation, if I remember correctly, go to show that in gasoline taxes, licences and other forms of taxes specially applicable to those running motors, the contribution already equals the outlay. It is therefore pretty hard to argue that it should be greater.

One hears it said many times that the big truck is really the destroyer of the roads, and that its effect on them is so great that they are really maintained for the purposes of the truck. This is true if the road is of a certain quality, for then it is the heavier vehicle that finally destroys it. But the argument, very strongly supported, is this, that any road that is properly constructed to meet the alternate attacks of frost and heat is not affected by even the heaviest truck.

We have reached the point, I think, of admitting that any sort of regulation except that imposed in the form of taxes—that is to say, of payment for the use made of the instrument—is very difficult indeed to devise. How is one to get into the field of regulation so as to attach to the user of the motor vehicle some of the restraints that we attach to the use of the railway coach and the freight car? I for one feel that it is never going to be practicable, and that if we are to bring the two methods of transportation into the same sphere, and apply like restrictions to both, we shall have to move along the line of removing restrictions from the railways rather than of adding them in the case of the motor trucks.

I think I have said enough to indicate that the subject is very complex; but it is certainly a subject which we cannot avoid, for the condition of freight earnings to-day is one of the chief and most serious of the problems that face us. I do not think the Senate could do anything better than appoint a committee to consider the subject for the purpose of producing a report that would be of help to the Government of the day, and enabling both branches of Parliament to address themselves to the question in concrete form.

The motion takes the position that there should be an interprovincial conference. There already has been such a conference. I can assure the House, however, that the field of review is by no means exhausted, the study by no means complete, and the conclusion reached by no means definite. I would suggest to the honourable member, therefore, that if he were to amend his motion so that it would call for the appointment of a committee of

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inquiry, it would perhaps be the means of initiating proceedings whereby the Senate would render valuable assistance in a very important field of future public commerce.

Hon. Mr. DANDURAND: Perhaps the honourable gentleman who moved this motion would ask that it be allowed to stand, in order that he might have time to adapt it to the suggestion of the right honourable gentleman.

Hon. Mr. KING: I should be glad to do that.

On motion of Right Hon. Mr. Meighen, the debate was adjourned.

PENSIONS TO OFFICIALS OF CANADIAN NATIONAL RAILWAYS OR DOMINION GOVERNMENT

MOTION NEGATIVED

Hon. JAMES MURDOCK moved:

Resolved: That in the opinion of the Senate no officer or employee of the Canadian National Railways or of the Government of Canada should be paid after the expiration of the present fiscal year a pension or retirement allowance in excess of \$5,000 per year.

He said: Honourable senators, on the 25th day of last November this Chamber almost unanimously, if not entirely so, passed a resolution which contemplated co-operation between the Canadian National Railways and the Canadian Pacific Railway for the purpose of seeing whether some of the enormous burden of excess costs now loaded on the people of Canada could not be eliminated. We are told that the excess cost of operating the Canadian National Railways runs around a million dollars a week. I think it can fairly be said that it was with that purpose in mind that the Senate, by resolution, urged the two railways to co-operate. This morning the Railway Committee of the Senate had before it representatives of the two railways who had been closely in touch with this proposal for co-operation with a view to the elimination of excessive and unnecessary costs. The committee undertook to discover what, if any, steps had been taken in the desired direction, and what had been accomplished in bringing about essential and altogether necessary economies. The action of the 25th of November and the inquiries made this morning were surely intended to strengthen the position of honourable members of this House, who as representatives of the taxpayers of Canada are interested in reducing expenses in every way possible.

The resolution which I have the honour to move to-day contemplates nothing more and nothing less than what I understood to be in the mind of the Senate on the 25th

of last November. I realize that if this resolution were to pass unanimously it would not cut a single dime off any pension now being paid unless action by the proper authority, namely the House that directly represents the people of Canada, implemented our proposal and recommendation.

I do not want to labour the distress—yes, sometimes disaster—that the railway situation in Canada has brought, is bringing, and will bring to thousands of citizens of this Dominion—taxpayers, presumably, who have given the best part of their lives to implementing the intention of Parliament. Not one of those lines of railway came into existence without the authority of Parliament, but to-day many men who engaged in railroad work find that all their years of effort have been in vain, and that they must either look elsewhere for something to do, or become derelicts of society. Many of these men and their loved ones are on Government relief because there is no possibility of their getting something else to do.

We were told this morning that there are three pension schemes connected with the operation of the Canadian National Railways, and the details of those three schemes were explained. We heard something this morning about pension regulations and their application to certain persons, citizens of Canada, taxpayers, capable and enthusiastic officials and employees of the Canadian National Railways or the Government of Canada. I think we will all agree that in many cases those regulations were foolish and unwarranted, particularly in relation to the construction of railways and the carrying on of the transportation business of Canada. In view of the present situation of the people of Canada, who have to pay the piper, some of those regulations have become obsolete. My proposal is simply this: that under the emergent condition that now confronts thousands of Canada's citizens as a result of the railway situation, and in accordance with the desire of the Senate as expressed on the 25th of November, that proper officers of the two railways should get together and work out and insist upon certain economies, we should, if we are sincere—and I think we are—express the view that \$5,000 a year of the money of the taxpayers of Canada is a sufficient amount to be paid to any employee or officer of the Dominion Government as a pension. As I said before, it seems to me that if the proposals that we are now contemplating are put into effect, as I imagine they will be, we can fairly suggest to some one in authority that the existing regulations should be changed. I assume

that the passage of this resolution would not take a dime from any pension now being paid. I do think that to allow a maximum pension of \$5,000 a year is to deal fairly and squarely with all concerned, the high and the low. My proposal may not be in accord with the Biblical text which says that to him that hath shall be given, and that from him that hath not shall be taken away even that which he hath; but my hope is that the Senate will indicate to the Government its belief that \$5,000 a year under existing conditions is a sufficient and ample pension for any retired employee of either the Canadian National Railways or the Government of Canada.

Hon. Mr. McMEANS: May I ask the honourable gentleman a question?

Hon. Mr. MURDOCK: Yes.

Hon. Mr. McMEANS: I am anxious to know whether the motion is confined to the railwaymen. Would it apply, for instance, to judges and other officials of the Government?

Hon. Mr. MURDOCK: As it is worded it probably would be held to apply to all, and to that extent it might be quite proper to revise it. I never did draw anything right the first time. It is subject to revision when you get my thought.

Hon. Mr. LYNCH-STAUNTON: The honourable gentleman has not given us anything definite. Are there any persons in the Canadian National who are receiving such pensions as he implies?

Hon. Mr. MURDOCK: Yes. I think you will find a few—a very few—receiving \$10,000 a year.

Hon. Mr. LYNCH-STAUNTON: Ten thousand?

Hon. Mr. MURDOCK: Yes. I know of one very distinguished gentleman whose pension under the regulations, I am told, would have amounted to more than \$10,000 a year, but was fixed at \$10,000 in order that it

might not appear to be overloading. The implication was that the amount was less than he was actually entitled to receive. This resolution would not apply to very many persons, but it would be a gesture from this Senate that would commend itself to the views of the rank and file of the people.

Hon. W. A. GRIESBACH: Honourable members, all I know about railway pensions is largely what we were told at the meeting of the Railway Committee this morning by a representative of the Canadian National Railways, who said that pensions are paid to employees under an Act of Parliament and regulations based thereon, and that there is no favouritism or irregularity practised under the law and regulations. It seems to me that the honourable gentleman from Parkdale (Hon. Mr. Murdock) might better have moved against the Act itself, in order that there might be an inquiry as to how pensions are paid, what they amount to, and so on.

I am, however, more particularly interested in pensions paid to employees of the Government of Canada, and it seems to me that this is a favourable opportunity to place on Hansard some information as to the pension system. The Act that deals with Civil Service pensions is Chapter 24 of the Revised Statutes of Canada, and the method of arriving at the amount to be paid in any case is stated in section 6:

Except as hereinafter otherwise provided the superannuation allowance mentioned in the next preceding section shall be one-fiftieth of the average salary received by the contributor during the last ten years of his service multiplied by the number of years of his service, not however, exceeding thirty-five years.

Clause 16 of the regulations which have been passed under and by virtue of the Act reads:

Until such time as it may be found practicable to complete an actuarial valuation under the Act, "The Contribution by the Government" to be credited to the Account from time to time shall equal the amount contributed by the contributors under the Act, with respect to service subsequent to the date of their election to become contributors.

It now remains only to read the financial statement of the fund, which is as follows:

Contributions by Contributors:	
* Current..	\$12,923,436 47
Retirement Fund..	10,973,699 32
* Past Service..	2,495,520 38
Contribution by Government..	\$26,392,656 17
Interest at 4 per cent per annum..	10,655,263 20
	5,814,019 88
Total revenue..	\$42,861,939 25
Less expenditure..	5,515,837 18
Balance of Fund as at March 31, 1932	\$37,346,102 07
* Subject to adjustment.	
Expenditure:	
Annuities..	4,579,672 61
Gratuities..	410,588 71
Withdrawals..	525,575 86
Total to March 31, 1932..	\$ 5,515,837 18
Balance at the credit of Fund Jan. 31, 1933..	\$37,551,876 15
Number of contributors as at March 31, 1932..	26,005

The contributions by contributors under the "Past Service" plan, \$2,495,520.38, represent payments that have been made to bring applicants within the operation of the Act.

It would be well to mention at the moment that the actual amount to be contributed by the Government is dependent upon an actuarial valuation which is not yet completed. It is to be undertaken, and involves examining those 26,005 persons and arriving at an estimate of their life values, and when that is ascertained the contribution of the Government should, in accordance with clause 16 of the regulations, equal the contributions of the contributors. There is an enormous sum of money standing to the credit of this fund, which fund is based upon an Act of Parliament and regulations passed thereunder.

I submit this general proposition for the consideration of the House, that if a man chooses the Civil Service of this country for his career he has a right to examine the Acts of Parliament under which he is to labour, and to rely upon those Acts for his remuneration while in the Service, as well as for his classification and promotion from time to time, and he has also the right to believe that Parliament and the Government will keep faith with him in the matter of those Acts, and that if he serves well and retires at the age of sixty-five, after a certain number of years' service, he will draw from the fund, to which he has contributed during the whole of his service, a specified amount that is due to him. This Parliament has no right, by resolution, by Act, or otherwise, to interfere with the contract which exists between such person and the Government.

Hon. Mr. MURDOCK: May I ask the honourable gentleman a question? Would he say that any such person might be entitled to a pension of more than \$5,000 a year, and thus be affected by the resolution?

Hon. Mr. GRIESBACH: Yes. The trend of Civil Service salaries has been upward, and in the past thirty years, within my own recollection, salaries have increased by probably three times. Offices which carried a salary of \$1,000 three decades ago carry salaries of \$3,000 now. In recent years salaries of deputy ministers have been increased from \$6,000 to \$8,000, and from \$8,000 to \$10,000. It is quite on the cards that the salaries of these and all other high officers of the Government will be substantially increased in years to come.

What we are talking about is a 35-year period. Any man who has entered the Civil Service in the last few years comes under the Superannuation Act, and he has a contract. He is entitled to look forward to the implementing of that contract at the end of his service, but the resolution introduced by my honourable friend, if passed, would affect many such men. I say that we ought not to pass this resolution. I submit that to endeavour to interfere with the terms of the contract embodied in an Act of Parliament would be unworthy of any government and of this House.

Right Hon. Mr. MEIGHEN: Possibly I should apologize for inflicting myself on the House at this time, but I do not care to give a formal vote, which would necessarily be against the resolution, without a few explanatory words. I have more sympathy with what I think is in the mind of the honourable senator from Parkdale (Hon. Mr. Murdock) than perhaps he would give me credit for. His resolution is not without some merit, and possibly the most admirable feature of it is the ease with which it could be improved. As the resolution reads, it would really be a demand upon Parliament to fall away from definite contracts of honour. We should be called upon to repudiate solemn contracts

which we have made. Even if amended as suggested by the honourable member, the resolution would still invite repudiation, in that it would affect those who have come into the service of Canada as judges, or perhaps into the service of the railways as high officers, and who upon coming in had certain contractual rights. Such persons would be affected by being no longer entitled to look to the country or to the railway for the carrying out of its side of the obligation.

I am not at all one who favours those fantastic figures that too often have been the vogue by way of salary and of pension. A great deal of nonsense, in my judgment, was talked before the Royal Commission whose report on railways is before a special committee of this House, about one man here and another there being worth twenty thousand, and about Wellington having said that Napoleon was as good as forty thousand men on the field of battle. If that contention had any relevancy at all it would lead to the conclusion that if in some special contingency one man's brain and energy were worth those of forty thousand others, then his salary should be forty thousand times as great. This would mean that the salary of the really first-class executive of to-day would be \$40,000,000 a year. One has only to think of this for a minute to see that no such basis can be considered. What governs remuneration or price is how much the service or the material can command in the market in competition with other services or materials.

A notion grew up that a big executive in a railway was altogether different from any other executive, and to offer such a person anything short of \$100,000 a year was only the subject of a smile. A good, able man is required at the head of a railway, but the same is true of any business, and the level of the remuneration to be given must be determined after measuring the size of those who are in sight for the position and what has to be paid for the services of the best one. I am quite sure that in public services, as in many other quarters, fancy remunerations have been given without very close regard to the earning powers of the individual recipients. Fixed salaries have been attached to jobs, and when the holders of those jobs retire they receive pensions based upon their salaries. Thus a wholly unbalanced structure has been created, and many people have been paid altogether out of proportion to the remuneration of the vast majority of citizens. I hope that, as a result of the experiences we are now going through, some more common-sense rule will be applied to salaries, professional remuneration and pensions.

Right Hon. Mr. MEIGHEN.

Personally I do not think that a \$5,000 pension will be sufficient for the very valuable man, whether he is in the railway service, on the Bench or acting in any other capacity that demands qualities of the first order. If a superannuation system is going to obtain at all, each pension must necessarily bear a certain relation to the salary paid to the person prior to his retirement, and in some instances salaries will have to be paid on such a basis that \$5,000 would not be a fair pension.

As the motion reads now it would, I repeat, compel us to do an injustice to men with whom we have solemn contracts. That injustice would fall not only upon those who are now in receipt of pensions, but upon all others who have entered into a contract that entitles them to a pension in time to come. Consequently, I see no alternative but to vote against the motion.

Hon. Mr. FORKE: Honourable members, after the remarks of the right honourable leader of the Government (Right Hon. Mr. Meighen), I am tempted to quote a few words from a report—I do not suppose it is correct—of a speech he made in Philadelphia along these same lines, in which he said—

Right Hon. Mr. MEIGHEN: I think the honourable member is wrong. I never spoke in that city in my life.

Hon. Mr. FORKE: It was in the United States anyway. Perhaps I am wrong as to the city.

An Hon. SENATOR: The wrong man.

Hon. Mr. FORKE: No, not the wrong man. At that time he stated in effect that what was wrong in the world was that there was not an equitable distribution of rewards for services rendered. I am paraphrasing what the right honourable gentleman said.

Right Hon. Mr. MEIGHEN: I was not far out.

Hon. Mr. FORKE: I do not think he was far out. I always read with great pleasure anything the right honourable gentleman has to say, whether it is said in Philadelphia or in Chicago.

Hon. RAOUL DANDURAND: I realize that the motion of my honourable friend (Hon. Mr. Murdock) will appeal to many in these days of depression and hardship. To hundreds of thousands of people whose earnings or wages have been cut in two or have disappeared entirely a pension of \$5,000 a year appears to be a large reward. It would

not have appeared large between 1925 and 1929. I sympathize with all those who feel that our pension lists contain some rather large figures. But I would point out to my honourable friend that it is hardly just to ask the Senate to make a leap in the dark—to give such an expression of opinion as he desires in the face of the situation that exists by virtue of the law and of existing contracts. We do not know exactly even what persons would be covered by this resolution. Does it cover all those who are drawing pensions under various Acts of Parliament? I am not ready to say now whether it does or not. I would suggest that instead of asking the Senate to vote my honourable friend withdraw his motion and consider the subject-matter anew, and if he feels there is a certain field wherein his action would be justified, he could present another motion to effect his purpose.

Hon. Mr. MURDOCK: Honourable members on the other side and my honourable friend on this side (Hon. Mr. Dandurand) have talked a good deal about law and contracts in connection with pensions. Unless the information I have secured is very much in error, distinguished gentlemen have been retired from the service of the Canadian National Railways who to-day complain that they did not get all that they are entitled to under a strict and literal interpretation of the pension regulations. I am told the Pension Board in charge of these matters decided in one case that \$10,000 was about as far as they should go, and in another case that \$8,800 was about the maximum; but I am told also that a strict interpretation of the pension regulations would have resulted in the board awarding pensions in excess of these figures.

Now, I have not the slightest intention of withdrawing this motion. I am for economy; I am for doing something consistent with what we are professing. I want to find out whether we mean what we are talking about, or whether it is—pardon the expression—just camouflage. I think, in view of the great distress now prevalent from one end of the Dominion to the other, that \$5,000 is just as logical a maximum pension for certain pensioners as the \$10,000 and the \$8,800 pensions fixed by the board under the regulations. I submit that it is a sufficient maximum under the emergency conditions which now prevail. If there is any return to prosperity we might reconsider that maximum.

Right Hon. Mr. MEIGHEN: Will the honourable gentleman permit a question? If I understood him rightly, he said he would not have his resolution apply to any pension

now being paid. That is to say, he would not interfere with a pension of, say, \$7,500 now being paid to a judge. Is that correct?

Hon. Mr. MURDOCK: I frankly admit that I regard the pensions of judges in a different light.

Right Hon. Mr. MEIGHEN: Why so? I cannot see any difference.

Hon. Mr. MURDOCK: Maybe I am in error in regarding their pensions in a different light. But I realize that many eminent legal men have given up a lucrative practice to go on the Bench and mete out justice to the people of Canada. We all know some legal gentlemen who, having been appointed to the Bench, found that the remuneration was not sufficient to warrant their continuing as judges, and who have gone back into private practice. I realize that Canada should pay members of the legal profession substantial salaries to induce them to sit on the Bench, and adequate pensions on their retirement. I had not given thought to judges, or to returned men, of course.

An Hon. SENATOR: What about the military?

Hon. Mr. MURDOCK: I had not a single member of the military forces in mind. But I had in mind certain former government employees, certain former Canadian National officials. None of the "special interests" that I am looking after, you know, are covered by this resolution at all; none of those men get a pension of anything like \$5,000 a year. This motion is simply an expression of opinion. It does not mean the slightest change in the existing pension regulations unless the Government is willing to accept the opinion herein expressed and revise the pension regulations accordingly. I hope honourable members will indicate their views for or against the motion, for I should like to know whether we are really in favour of effecting the economies that the people expect at our hands.

Hon. Mr. LYNCH-STANTON: I may be out of order—

Hon. Mr. MURDOCK: I thought I had closed the debate.

Hon. Mr. LYNCH-STANTON: I may be out of order, but I should like an explanation. As I understand the trend of the debate, there is a certain pension fund, and there are regulations attached to the administration of that fund, under which regulations contributors to the fund are entitled to receive certain retiring allowances after they have

served a certain period of time with the railway company. It seems to me from what I hear that notwithstanding those regulations the administrators of the fund have an absolute discretion to increase the amount which the pensioners would otherwise receive.

Hon. Mr. MURDOCK: Decrease.

Hon. Mr. LYNCH-STANTON: Increase, I said. If this resolution goes no further than to say that in the opinion of the Senate the commissioners should not have the power to increase the allowance to which a pensioner would be entitled, it seems to me its purpose is salutary, for I think that a pension of \$5,000 a year is, as we say, rather a soft thing. But if a man has been making a large contribution, and his contract provides that he should receive every copper to which he is entitled, the position is entirely different. If I understand the honourable gentleman's motion, it does not apply to a case of that kind; it is simply an intimation to the board that it should not give to any pensioner a gratuity—for it is nothing else—so as to place his pension at a figure in excess of \$5,000 a year.

Hon. Mr. CALDER: Honourable members, I am not rising to speak to the motion, but I really think the honourable gentleman (Hon. Mr. Murdock) should accept the suggestion made by the leader on that side of the House (Hon. Mr. Dandurand). In reality the honourable gentleman is asking us to make a leap in the dark. We do not know who is going to be affected by this motion. He himself admits that he never had judges in mind. He is asking us to express a definite opinion of what should be done, and we do not know what we are doing. I would suggest to him that he let the matter rest until we have had at least time to see where we are going to stand. In its present form, I must vote against the motion.

Hon. Mr. MURDOCK: I do not suggest that anybody should jump in the dark. I realize that even if we pass this pious resolution—for that is all it amounts to, as every honourable gentleman knows—it is only an expression of opinion after all.

Right Hon. Mr. GRAHAM: If the motion does not express the opinion of an honourable member under the circumstances, do you want him to vote that it is his opinion?

Hon. Mr. MURDOCK: By no means; let him vote the other way, of course. But I say if the resolution were passed in its present form it would be only an expression of opinion, and then surely it would be up to the

Hon. Mr. LYNCH-STANTON.

Government of the day to change any of the pension regulations that might be in conflict with the resolution.

Hon. Mr. CALDER: May I say just one word more? This is not merely a pious resolution; it is a very definite pious resolution. It asks that no person who is in the service of the Canadian National Railways shall hereafter get a pension in excess of \$5,000.

An Hon. SENATOR: Or in the service of the Government.

Hon. Mr. CALDER: And the same thing applies to those in the Government service. That is, we are asked to say baldly that in the opinion of the majority of this House no man who is receiving a pension from the Federal Government should hereafter receive a pension of more than \$5,000. I say we are leaping in the dark if we vote in favour of this motion. Are we going to vote in favour of this motion without knowing who are affected, what branch of the service they belong to, what pensions they are getting at the present time, and all that sort of thing? The honourable gentleman himself has admitted that he never thought of judges' pensions. We have six Supreme Court judges sitting here in Ottawa, all of whom have a contract with the Government entitling them to pensions, and, whether the honourable gentleman likes it or not, his proposed resolution affects their pensions. If one of those judges retired to-morrow he would not get anything in excess of \$5,000, should this resolution pass and be implemented by the Government. So I say we are leaping in the dark, and I think that unless this motion is put into such shape that we know what we are doing, we should not be called upon to vote on it.

Hon. Mr. MURDOCK: My honourable friend knows full well that not one of those judges nor anybody else would be affected one iota unless the law were changed.

Right Hon. Mr. MEIGHEN: But the honourable member asks us to vote that the law be changed, when we know that if it were changed in accordance with the resolution the grossest kind of injustice and breach of contract would result.

Hon. Mr. MURDOCK: I cannot see it in that light. All I am suggesting is an expression of the opinion that while the present emergency railway conditions continue \$5,000 should be the maximum pension paid to any railway officials.

The motion was negatived.

REMEDIES FOR UNEMPLOYMENT AND UNREST

DEBATE ADJOURNED

On the Order:

Resuming the debate on the motion of Hon. Mr. Poirier, seconded by Hon. Mr. Turgeon:

Resolved, that in the opinion of this House, six hours should constitute one full day's work for labourers, in the manufacture and in the mine, and also for artisans, handicraftsmen and hired common day labourers;

Furthermore, that more effective encouragement should be given to the return to the land.

Hon. Mr. LACASSE: Honourable members, it is half past four, and in order not to delay the proceedings of the Railway Committee, I move that the debate be adjourned until to-morrow.

The motion was agreed to.

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

THE SENATE

Wednesday, February 8, 1933.

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

Prayers and routine proceedings.

REMEDIES FOR UNEMPLOYMENT AND UNREST

DEBATE RESUMED—MOTION NEGATIVED

The Senate resumed from yesterday the debate on the motion of Hon. Mr. Poirier, seconded by Hon. Mr. Turgeon:

Resolved, that in the opinion of this House, six hours should constitute one full day's work for labourers, in the manufacture and in the mine, and also for artisans, handicraftsmen and hired common day labourers;

Furthermore, that more effective encouragement should be given to the return to the land.

Hon. GUSTAVE LACASSE: Honourable members, again I desire to congratulate our dear old friend from Acadie (Hon. Mr. Poirier) on the very interesting speech he delivered two days ago. One may not agree fully with all he said, particularly as regards the general shortening of working hours, but anyone readily appreciates the wealth of information, the patience of effort and the amount of observation which stand behind that splendid contribution. Furthermore, those who belong to the younger group in this House cannot help marvelling at the vitality—perennial youth, should I say?—of the oldest minds in this Chamber, and be edified by the enthusiasm which they show, at the sunset of their very useful lives, in the study of the great problems of the day.

I wish my honourable friend had worded his motion a little differently: it might have avoided the objections which have been raised already as to whether it is in order or not. Of course we are here to legislate, but let me point out to my honourable friends from Parkdale (Hon. Mr. Murdock) and Winnipeg (Hon. Mr. McMeans) that ample is the number of precedents which justify our venerable friend from Acadie in presenting his case in the way he did. Well do we remember the eloquent pleas which our dear old colleague the late Sir George Foster used to make here every year in favour of the League of Nations; and at the beginning of this very session, last fall, did not the honourable senator from Rockcliffe (Hon. Mrs. Wilson) present a motion on "the social and humanitarian work of the League of Nations"? Have such debates ever led to actual legislation? Not that I know of. Still they gave some of us the opportunity of putting before the public some very illuminating facts. Of course, we are here to legislate, but we are here also to study in the most unbiased and dispassionate spirit any problem of interest to the people of Canada.

The motion before us is twofold: first, it suggests the shortening of working hours; secondly, it recommends a more systematic concentration of effort in the so-called back-to-the-land movement.

As to the first part of his motion, I shall follow my honourable friend with great caution, although I accept the general principle of it. I reckon that a shorter working day cannot be applied without great difficulty. I am glad my honourable friend makes it fairly clear that his proposed regulations are intended mostly, if not solely, for shop workers and artisans. As we all know, there are certain groups of trades and certain professions whose working hours cannot be regulated. In that class are artists, intellectual workers, farmers, doctors, and also those, for instance, whose calling is travelling, for no train, no aeroplane, no ocean liner can be stopped because and when the six-hour limit has been reached. My honourable friend will say that even here double shifts could be put on duty; but that would never do with respect to certain classes of men whose work calls for personal initiative and individual skill—like scientists, composers, inventors and writers. Such regulations could therefore be applied only to men working in shops day by day.

There is also the objection raised by my honourable friend from Parkdale, that the shortening of working hours would not solve the problem of unemployment if dissociated from the problem of fair wages. I am confident, though, that should a commission—

oh! pardon me for suggesting one more commission—go into the matter thoroughly, a commission composed of employers and employees, under the chairmanship of an independent man, very gratifying results could be obtained for all concerned. As I have already hinted, this question is primarily and almost exclusively an industrial problem, and must not be too generalized.

There are two particular features in favour of this proposed shortening of working hours which, as a physician, I wish to mention here. Under such a new regulation, in the first place, the working man would have sufficient time for his meal at noon, instead of being obliged to swallow it hastily in a few minutes, and becoming eventually the victim of stomach disturbances, sometimes serious. Secondly, it would do away with the working of unjustified overtime, which plays such deadly havoc amongst the industrial workers, who, in this case, are rightly called the slaves of industry.

It is clear to everybody that the main object of shortening working hours is to divide the work amongst as many people as possible, in order to give a chance to everybody and consequently solve the problem of unemployment. That is why I believe it is a step in the right direction. I intend, therefore, with the minor reservation mentioned a moment ago, to vote in favour of the motion.

Let us hope, honourable senators, that all these efforts, all these suggestions, will contribute to bring back prosperity to our beloved land, for blessed will be the day when we shall hear again the rhythmic bark of the busy hammer and the joyful song of the saw; blessed will be the day when from near-by shops and factories shall ring out the call of industry inviting her sons back to work; blessed will be the day when from massive chimneys, so long idle, shall gush forth the graceful spirals of black smoke writing in the clear atmosphere of a blue sky the huge letters that spell prosperity; blessed will be the day when the traditional loaf of bread upon the table of the humble but honest and most deserving workingman shall have been honourably earned and cheerfully paid for; blessed will be the day when the sunshine of happiness and contentment shall again cast the rays of its new hope and the warmth of its revived enthusiasm into all our Canadian homes!

I anticipate, honourable gentlemen, that by the time such a splendid and glorious day dawns upon us all our large industrial centers and most of our factory towns will have lost a good twenty-five per cent of their population. And whither will all those people

Hon. Mr. LACASSE.

have gone? Precisely to the place they should never have left in the beginning. They will be, let us hope, back on the farm, where they can do the greatest good for Canada, which is primarily an agricultural country.

I thank my venerable friend for having revived this year the question which I had the privilege of introducing before this Chamber last session. I am pleased to observe that he shares my views on that score one hundred per cent.

I appreciate also the sympathetic reception with which the right honourable leader of this House favoured my humble effort last year, when I spoke on the back-to-the-land movement. His promises were most encouraging. Now let us see what has been done since.

There is no doubt that the idea gradually spread and gained ground. Some governments have adopted and developed very intelligent schemes along that line, but I am sorry that my own province is not leading in that field of progress. To the old Province of Quebec goes the palm of honour; Ontario is trailing behind. It might be interesting to honourable gentlemen to hear that in the Province of Quebec, in the course of the last two years, \$600,000 has been distributed among new settlers in the form of premiums—primes aux colons; that nearly \$2,000,000 has been spent on the building or improvement of the roads in the far-flung northern area, and that over 9,000 families have been taken out of financially overburdened cities and established on new land, to become gradually self-supporting.

The establishment of 6,500 families, the building of roads and bridges and a little draining of the land have cost less than \$2,500,000. Dividing by those 6,500 families, it will be found that the average cost to the State for the establishment of one family is \$385.

My authority for that statement is the Hon. Hector Laferté, Minister of Colonization in the Province of Quebec, who gave those interesting figures a few months ago.

And during that time what has Ontario done? I forwarded last night to the Deputy Minister of Lands and Forests, at Toronto, in order to obtain fresh and up-to-date information, the following message:

As I intend to speak to-morrow on the back-to-the-land movement, may I ask you to be so kind as to tell me the number of families and of single men established on Northern lands through your department, and the amount of money spent to that effect by Ontario during the last twelve months.

And here is the reply I received about an hour ago:

Settled last calendar year two hundred ten married heads families, representing one thousand and eighty-five souls under relief plan.

Expended thereon fifty-three thousand one hundred and forty-five dollars, two-thirds of which (less administration costs) borne equally by municipalities and Dominion.

This is exclusive of one thousand six hundred and forty-eight sales and free grant locations carried out during fiscal year ending October last under ordinary unsubsidized practices.

W. C. Cain,
Deputy Minister.

I do not wish to make a deliberate attack on the Government of any province, but I will say that most provinces to-day do not seem to take enough advantage of the inducements offered by the Federal Government in this matter. We all know that \$600 is the cost estimated for the establishment of one family of new settlers; we know also that that expense, according to the plan agreed upon, is to be borne by the two Governments and the interested municipality in equal proportions. I do wish to submit here that, in the case of a town or a city which cannot meet its financial obligations and is on the verge of bankruptcy, the two Governments, Federal and Provincial, should devise some special scheme whereby the municipality would be relieved of its share of the cost.

Before concluding, honourable senators, let me apologize for having spoken so long, and thank you for your most patient attention. May I venture to express the hope that the facts I have submitted to you have been of some interest and that my humble contribution to this important debate has not been altogether useless.

In spite of these most trying times and distressing conditions, I keep my faith in Canada, in this great country which links two hemispheres, whose picturesque shores are bathed by three oceans, and whose beautiful head is crowned with the shining glories of the North. I keep my faith in Canada because of the loyal devotion and industrious courage of her proud sons and faithful daughters, tillers of land and toilers of industry, who will ever live in harmony and work for the full recuperation and constant advance of our dear old fatherland.

Hon. J. J. HUGHES: Honourable members, I presume the mover of the motion (Hon. Mr. Poirier) will make some additional remarks before the debate is concluded, and I want to bring a few matters to his attention. In the first place, I think there is a slight fault in the wording of the resolution, which is:

That in the opinion of this House, six hours should constitute one full day's work for labourers, in the manufacture and in the mine. . . .

I think it would be better to substitute "factory" for "manufacture." As the resolution is worded now, the meaning is difficult to follow.

The honourable gentleman said in the course of his remarks that the reduction of the working day to six hours would solve all our difficulties. Now, I would ask him if he includes farmers in the term "labourers." He said:

For the serf and the villain—our forefathers, honourable gentlemen, were villains—the working hours were from sunrise to sunset. Women and children were not excepted.

Well, about half the world's population, I think, work on the land and their working hours to-day are from sunrise to sunset, and even longer; and women and children are not excepted. The farmer would be quite pleased if he could make a living by working those hours, but he cannot do it under present conditions. Would the situation be improved by putting more people on the land? That is a very big question. Agriculture is harder hit than any other class of business; the farmer finds it more difficult to make a living than any other man who is at work. It would seem to me that the placing of more people on the land would aggravate the trouble.

Hon. Mr. GILLIS: They would earn their own living.

Hon. Mr. HUGHES: They would to some extent. The honourable mover of the resolution says that his suggestion would cure all our troubles.

Hon. Mr. POIRIER: Would the honourable gentleman allow me to interrupt him? Farmers are not included in the motion.

Hon. Mr. HUGHES: That is the trouble.

Hon. Mr. POIRIER: Nor are fishermen nor railroad men. I specified the classes to which my resolution applies. I perfectly well understand that farmers cannot be included.

Hon. Mr. HUGHES: That, I think, is just the trouble with the honourable gentleman's proposal. At least half of the world's population would remain serfs and villains. The honourable gentleman also said:

Several solutions have been propounded. The only one which, to my mind, can be effected is the shortening of working hours. It alone can go down to the roots of the cancer and eradicate it.

If that simple method will eradicate the troubles of the world, I would suggest very humbly and respectfully to the mover and the seconder of the resolution that they place their views before the League of Nations, for we in Canada could not give effect to the

proposal. The matter is not within the jurisdiction of the Federal Government, and if the provinces were to legislate for a six-hour day where should we find ourselves? The matter has to be settled by the whole world, or not at all. We could not compete with other nations in the manufacture of commodities if we shortened our day and they did not do likewise. That appears to me to make the suggestion impracticable.

Towards the close of his remarks my honourable friend made this statement, which I wish he would explain before the debate is concluded.

The tiller of the land who, during past ages, the world over, has been subjected to most unmerciful toil, is, according to all appearances, about to come into his own.

That, I suppose, means that according to all appearances the farmers are about to become more prosperous. Well, it always has been said that the prosperity of the whole community depends upon the condition of agriculture. If the honourable mover of the resolution can reveal to us the signs, and assure us that what he has prophesied is about to come to pass, he will do more than anyone else has done for many years towards bringing hope and encouragement back into the world.

Hon. G. D. ROBERTSON: Honourable members, it is my purpose, not to make a speech, but simply to say a few words touching the subject before us. Until the honourable member from Essex (Hon. Mr. Lacasse) rose to speak, half an hour ago, I was not aware that this matter would come before the House this afternoon, and I was not present when the honourable member from Acadie (Hon. Mr. Poirier) introduced the resolution. With respect to the question of legislation looking to the adoption of a six-hour day in Canada, I may draw the attention of the House to the fact that the first International Labour Conference, held in Washington, D.C., in November, 1919, at which I was present, went on record in favour of an eight-hour day. Many of our provinces were represented at that conference, and all nine of them were notified of the decision arrived at. Notwithstanding that fact, no government in Canada since that time has attempted to adopt even eight-hour legislation, except with reference to the public service, wherein some progress in that direction has been made.

When I was in Geneva last April there was discussed a proposal for the establishment of a working day on the six-hour basis. There may be a few countries that have six-hour-day legislation, although I cannot name

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any. As Canada has failed to adopt legislation for an eight-hour day in industry, as recommended some thirteen years ago, in my humble opinion it would be out of the question now to expect that a proposal for the six-hour day would be acted upon. For a good many years I have had something to do with improvement of working conditions, both as to hours and compensation, particularly as affecting railway employees, and in a lesser degree labour generally; and while I appreciate and sympathize with the ideal that is behind the resolution, I could not support the motion with any hope of its becoming law at this session of Parliament.

The motion of Hon. Mr. Poirier was negatived.

CITY OF OTTAWA AGREEMENT BILL SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 15, an Act to authorize an agreement between His Majesty the King and the Corporation of the City of Ottawa.

He said: This is merely a renewal for one year of the contract now in effect between the Government of Canada and the City of Ottawa in respect of compensation for services.

Right Hon. Mr. GRAHAM: No change?

Right Hon. Mr. MEIGHEN: No change.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

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

THE SENATE

Thursday, February 9, 1933.

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

Prayers and routine proceedings.

CANADIAN AND BRITISH INSURANCE COMPANIES BILL

FIRST READING

Hon. Mr. BEAUBIEN introduced Bill B, an Act to amend the Canadian and British Insurance Companies Act.

Right Hon. Mr. GRAHAM: In what way is it to amend the Act?

Hon. Mr. BEAUBIEN: By rendering certain securities eligible for investment by insurance companies.

The Bill was read the first time.

DOMINION LANDS ACT

APPROVAL OF ORDERS IN COUNCIL

Right Hon. Mr. MEIGHEN moved:

That the Orders in Council which have been published in the Canada Gazette between the 17th day of December, 1931, and the 9th day of September, 1932, in accordance with the provisions of section 75 of the Dominion Lands Act, Chapter 113, R.S. 1927, and which were laid on the Table on the 12th day of October, 1932, be approved.

He said: Honourable members, in moving this motion I wish to present a detailed list of the Orders in Council, with the explanation of each. I think there would not be much value in perusing the list now, but it would be of value to have it incorporated in Hansard. With the consent of the House, I will hand in the explanation of each order.

The motion was agreed to.

List of Orders in Council laid on the Table of the House of Commons on the 7th October, 1932, and on the Table of the Senate on the 12th October, 1932, in accordance with the provisions of Section 75 of the Dominion Lands Act (Chapter 113, R.S. 1927).

P.C. 350, dated 18th February, 1932, authorizing exchange between the Department of the Interior and the Department of Public Works of certain lots in the city of Lethbridge.

P.C. 507, dated 4th March, 1932, establishing regulations for the disposal of quartz mining claims on Dominion lands in the Northwest Territories.

P.C. 603, dated 16th March, 1932, authorizing issue of license of occupation in favour of the Hydro-Electric Power Commission of Ontario, covering certain lands in the County of Wentworth, Ontario, required for power transmission line purposes.

P.C. 648, dated 30th March, 1932, transferring "Camp Hill" property in Halifax to Department of the Interior.

P.C. 726, dated 19th April, 1932, authorizing issue of lease to Mr. Donat Grandmaitre, of Eastview, of a parcel of ordnance lands fronting on the Ottawa River near the foot of John Street, Ottawa.

P.C. 728, dated 19th April, 1932, authorizing issue of lease to squatters on ordnance lands at St. Joseph de Sorel, Que.

P.C. 730, dated 19th April, 1932, authorizing issue of lease to Dr. E. V. Sweet of parcel of ordnance lands at Newboro, Ontario.

P.C. 884, dated 21st April, 1932, reserving parcel of land in city of Lethbridge for the purpose of an armoury site.

P.C. 1325, dated 8th June, 1932, transferring to Department of Railways and Canals for purpose of administration certain lands in vicinity of the canal at Morton, Ontario.

P.C. 1484, dated 30th June, 1932, formally approving the reservation of Neepee Chief Indian Reserve No. 152A, Township 80, Range 3, West of the 6th Meridian.

P.C. 1750, dated 8th August, 1932, transferring Green Island, in the city of Ottawa, to Department of Public Works.

P.C. 1055, dated 10th May, 1932, amending regulations for disposal of quartz mining claims in Northwest Territories—re-staking.

P.C. 1094, dated 12th May, 1932, suspending requirements of section 54 of the Yukon Quartz Mining Act, re representation work, until 1st July, 1933.

P.C. 706, dated 3rd June, 1932, authorizing issue of free grant to Northern Traders Limited of Edmonton of Lot No. 1, Arctic Red River Settlement, Northwest Territories.

P.C. 1415, dated 25th June, 1932, authorizing transfer to Soldier Settlement Board of two parcels of land formerly in Porcupine Forest Reserve.

P.C. 1739, dated 4th August, 1932, authorizing transfer to Department of National Defence of certain lands formerly in the Nisbet and Dundurn Forest Reserve.

Lands Tabled under provisions of Section 4 and Section 7 of the Dominion Lands Act.

P.C. 327, dated 15th February, 1932, authorizing sale to Canadian Pacific Railway Company of lands for right of way and operating purposes at Field, B.C.

P.C. 708, dated 19th April, 1932, authorizing issue of lease to Canadian Western Lumber Company, Limited, covering portion of foreshore and bed of Pitt River, B.C.

P.C. 725, dated 19th April, 1932, authorizing sale of parcel of land at Glacier, B.C., to Canadian Pacific Railway Company.

ARMENIAN CLAIMS

MOTION FOR RETURN

Hon. Mr. SINCLAIR moved:

That an humble address be presented to His Excellency the Governor General, praying that His Excellency will cause to be laid before the Senate a copy of:—

(a) The recommendations of the Secretary of State with regard to the payment of "Armenian Claims" referred to on page xlix of the introduction to the Auditor General's Report, Vol. 1, for the year ending March 31, 1932; and

(b) A copy of Order in Council P.C. 571, of March 12, 1932.

Right Hon. Mr. MEIGHEN: I see no reason why the motion should not pass; but, having no specific information as to the nature of the recommendations, I would make this reservation: that if they turn out to be of a confidential character, as they very easily might be from an international standpoint, I shall explain to the House later the failure to bring them down. So far as I know, there is no reason why the motion should not pass.

The motion was agreed to.

CANADIAN NATIONAL-CANADIAN
PACIFIC BILL
INQUIRY

Hon. Mr. CASGRAIN: Before the Orders of the Day are called, I should like to say that I was asked yesterday, in Montreal, if it was true that when, in the Railway Committee, I inquired of the leader of the Senate what the Government would do if the Canadian Pacific Railway Company refused to accept Bill A, he answered, "I should be sorry." I had to acknowledge that it was true. I was then asked by large shareholders of the C.P.R. to inquire whether being "sorry" was the considered solution of our railway problem by the right honourable gentleman personally, or by the Administration.

Right Hon. Mr. MEIGHEN: Had I been asked for the considered solution, I would have answered what the considered solution was. I was merely asked what the attitude of the Government would be in a certain event, and that, therefore, is all I answered.

The Senate adjourned until Tuesday next at 8 p.m.

THE SENATE

Tuesday, February 14, 1933.

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

Prayers and routine proceedings.

PRISON DISCIPLINE

MOTION

Hon. JOHN LEWIS rose in accordance with the following notice:

That he will call the attention of the Government to the report of Superintendent D. M. Ormond on the outbreak in Portsmouth Penitentiary, and will move that in the opinion of the Senate full publicity should be given to prison discipline, and the aim of discipline should be reform as well as punishment.

He said: Honourable gentlemen, although in the motion I have referred to Superintendent Ormond's report on the outbreak in Portsmouth Penitentiary, it is not my intention to give any time to summarizing, much less to criticizing, its contents. He, very naturally, dwelt mainly upon the necessity of adequate protection against mutiny and violence on the part of prisoners, a matter, no doubt, of great importance, but with regard to which I should not care to enter into competition with a military man. My subject particularly is that of prison discipline

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leading to reform, and at the outset I should like to disabuse certain people of a notion that the object of prison reformers is to give the prisoners a good time, amuse them, please them, and, as one honourable gentleman said, transfer them to the Royal York Hotel. The object of prison reformers is not to please, amuse or humour prisoners, but to give them healthful occupation for body and mind.

I take up first the question of physical exercise. There is no doubt that the best environment for a prisoner is a farm, for that provides healthful exercise in the open air, as well as training in a useful employment. Where that is not available a certain amount of physical exercise in the form of games is necessary, and there again I would remind you that my object is not amusement, but healthful occupation that will send the prisoner to his cell healthily tired. After that, between the time of physical exercise and sleep, there are bound to be a certain number of idle hours, and I think that occupation for the mind is as necessary during that period as bodily exercise is in the day-time.

The notion that solitary confinement is a salutary discipline for prisoners is very far from the truth. The notion has its basis, I suppose, in the belief that the prisoner will spend his time thinking of his past sins and resolving on amendment. The chances are that that is the very thing which he will not do. He will probably spend his time thinking over his grievances, or alleged grievances, and planning for revenge upon society. Therefore I think that it is of the utmost importance that he should have the fullest occupation for his mind, that he should be not only allowed, but encouraged to read, even though his reading be not always of a serious character. There should be a variety of mental occupation. For instance, at times dramatic entertainment or concerts could be put on for the prisoners. I repeat that the object I have in view is not to amuse prisoners, but to keep their minds out of mischief. Satan finds some mischief still, as well for idle minds as for idle hands to do.

Coming to the question of punishment, I notice in this report one or two casual references to the use of the paddle. But there is no information as to what the paddle is, and therefore I am obliged to fall back upon unofficial information as contained in an article written by an ex-convict, published in the Sydney, Nova Scotia, Record and republished in the Brockville Recorder and Times, from which I take my copy.

Right Hon. Mr. GRAHAM: That is the proper source.

Hon. Mr. LEWIS: The writer says:

The application of the paddle is a modified form of whipping. It is supposed to be less cruel than the lash, but I and the other prisoners who have had a taste of it know that it is a lot worse.

I have no doubt that there are honourable gentlemen here who can bear the sufferings of prisoners with very great fortitude. The writer goes on:

Before we go any further, let me describe this paddle. It consists of a broad strip of leather about a foot and a half long, with a handle about a foot in length, which is used to grasp the paddle.

To get lashed with this instrument would be bad enough, but this is not all. The leather section of the paddle, which is the part that comes in contact with the body, is dotted with holes as big as a dime. When the paddle hits the body the flesh is pushed up through these holes and when it is drawn away—well, you can imagine the rest.

The Brockville Recorder and Times comments upon this:

If the facts are as represented, he will find a great many to agree with him. No one believes that those imprisoned in our penitentiaries should be coddled, especially when they have committed a breach of discipline, but there must be slightly more humane ways of inflicting punishment than those which have been indicated and which cannot fail to produce feelings of vengeance on the part of the sufferer.

Hon. Mr. GRIESBACH: Will the honourable gentleman permit a question? Has he taken the trouble to satisfy himself that the observations put forward by the ex-convict are true?

Hon. Mr. LEWIS: I have tried, but the Government steadily refuses to give any information on the point. Therefore I am obliged to rely upon this statement, not agreeing with it, but waiting until I get some official information.

Hon. Mr. MACDONELL: Why does the honourable gentleman give this out when he has not absolute facts about these things? Why does he not wait until he gets the facts first?

Hon. Mr. LEWIS: I might have to wait a couple of years, and I want to speak now.

Hon. Mr. MACDONELL: Well, why not wait two years?

Right Hon. Mr. MEIGHEN: May I remind the honourable gentleman that he is at liberty at all times, as are all honourable members of this House and of the House of Commons, to visit the penitentiaries, including the cells and any other parts of the institutions, and to witness for himself what is going on. Has he ever availed himself of that?

Hon. Mr. LEWIS: I have not, and I doubt whether many of us have done so.

Hon. Mr. MACDONELL: Hearsay evidence.

Hon. Mr. LEWIS: One of the points which I shall make later on is that so few of us take an interest in what goes on in the prisons, and to that omission I am going to plead guilty myself.

The editorial comment concludes:

There seems to be some reluctance on the part of the Government to reveal the result of investigations that have been under way in other Canadian penitentiaries where disturbances have recently taken place. Persistence in following such a policy will scarcely prove effective in allaying the feeling so widely prevalent that things are wrong in the Canadian penitentiary system, a state of affairs tacitly admitted by various reforms which the Minister of Justice has recently authorized.

That editorial has been copied into various Ontario papers and given wide circulation. Always it has elicited the comment which I myself would make, that we do not absolutely rely upon these statements, but they are the only statements we are able to obtain.

Now I come to the general subject of physical punishment. A judge frequently sentences a prisoner to so many strokes of the lash; but the sentence follows after a fair trial, and this physical punishment is resorted to only where the prisoner has been convicted of very vile or violent offences. This is a very wise provision, because if such punishment were inflicted indiscriminately its moral value would be entirely lost. I have no knowledge that similar safeguards surround the administration of punishment for infractions of prison discipline. Within the prison everything is done secretly, and it is not unlikely that the convict who gets into trouble is neither vile nor violent, but disobedient. While of course his disobedience cannot be overlooked by the prison officials, it may quite likely happen that such a prisoner serving a term for a comparatively trifling offence may in this way receive in the aggregate much more severe punishment than a convict serving a term for a criminal assault on a child, but cunning enough to curry favour with the guards. In my opinion corporal punishment for infractions of prison discipline should be surrounded with safeguards in the interest alike of the prisoners and of the prison officials. I have noticed a newspaper announcement that in future a prisoner is not to be subjected to such punishment by a guard except with the approval of the warden and of the Inspector of Prisons.

Hon. Mr. GRIESBACH: If I may interrupt the honourable gentleman, would he kindly use "penitentiary" when he means peniten-

tiary, and "prison" when he means prison? It is a matter of some importance, as there are prisons and penitentiaries; the offences for which men are committed to penitentiaries are different from those for which they are committed to prison; the internal discipline in the two kinds of penal institutions is also different. I am sure the honourable gentleman would not wish to confuse the issue by using inaccurate terms.

Hon. Mr. LEWIS: I have been using "prison" and "penitentiary" indiscriminately, but if penitentiary is the word, I will try to use it exclusively.

While I approve of the restriction that no penitentiary guard may inflict punishment without the consent of the warden and the Inspector of Prisons, I should be in favour of an independent enquiry by a county judge, or some such official, into breaches of penitentiary discipline, for such an investigator would be entirely independent of the institution. We all know that with the very best intentions the warden would be led by loyalty to his staff to support the guard, and the inspector, animated by a similar loyalty, would in turn support the warden.

As to the qualifications of the penitentiary guard, I recognize that he occupies a very important place in the institution in maintaining discipline. He comes into contact with the prisoners more often than does the warden, and it is not necessary to consider him a monster of cruelty in order to suppose that he may get into such a quarrel with a prisoner as may result in the infliction of punishment far beyond the prisoner's deserts. That simply means that the guard is an ordinary man, not particularly interested in prison welfare, and regarding his job—quite honestly—as merely a means of livelihood. He may be a man of short temper and perhaps a little too mindful of his own dignity. While of course I recognize that he must be a man of sufficiently powerful physique to cope with a rebellious prisoner, I submit that he should be a man zealous for the welfare of those under his charge. That may sound rather idealistic, but we know that teachers, preachers, members of the Salvation Army and missionaries in the West devote themselves whole-heartedly to their work, entirely regardless of remuneration. I have heard some very touching stories of our missionaries in the West who have cheerfully shared the troubles and hardships of the settlers in their enthusiasm for social welfare work. I think it would be possible to find men of that fine type who would become penitentiary guards from motives of human-

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ity rather than because of the salary attaching to the office.

With respect to publicity, I think the inspector and the warden ought to take the public into their confidence more freely and more frequently than they do. By publicity I imply, not that the public should be constantly finding fault with the administration of our penal institutions, but rather that there should be co-operation by the warden and the inspector with the public. The public should be encouraged to take an interest in our prisons and visit them.

Finally, I desire to contradict the notion that authority is likely to be undermined by what might be regarded as the intermeddling of the public with the administration of our penitentiaries. The recent outbreaks in these institutions have taken place not as a result of public interference, but during a period of public neglect through lack of interest. The inmate of a penitentiary is not at all likely to be incited to mutiny by the sympathy of those outside; rather he is likely to become mutinous from a sense that he is abandoned, that nobody takes any further interest in him, that society regards him as a troublesome fellow whom it is glad to get rid of. I fancy that not one person in a thousand is in the habit of visiting our penitentiaries and interesting himself in the welfare of the inmates; and, as I say, I freely admit that in this respect I have been delinquent. In fact, there are few of us who have not earned the rebuke of the Friend of publicans and sinners: "I was in prison and ye visited Me not." It is in the hope of changing the attitude of mind of the public as well as of the authorities towards the inmates of our penitentiaries that I have given expression to these views to-night.

Hon. Mr. CASGRAIN: May I ask the honourable gentleman one question? He spoke of the paddle as an instrument for inflicting corporal punishment. I have never heard of it before, and I doubt if other honourable gentlemen have. Does he know whether this punishment is resorted to as a means of preserving discipline, or whether it is administered on the order of a judge?

Hon. Mr. LEWIS: I do not profess to be acquainted with the internal discipline of a penitentiary. My submission is that the paddle is a more severe instrument of punishment than the lash, and that if it is resorted to in the maintenance of discipline the penitentiary officials have at hand a more severe form of punishment than the lash; and, as we know, a prisoner cannot be subjected to

the lash unless he has been so sentenced by the judge after a fair trial in open court.

Hon. J. P. B. CASGRAIN: Honourable gentlemen, I had occasion to visit the prison at Bordeaux this winter, and when I saw the rooms and the beds there I thought the accommodation was much too good. I have also visited the St. Vincent de Paul Penitentiary. Although I cannot put my finger on the law which states that it is the duty of senators to visit penitentiaries, I understood there was such a law, and on many occasions I have done so. It seems to me that the feeling that a prison or a penitentiary should be made a summer resort or something of that kind should not prevail. I think imprisonment should have a deterrent effect upon possible offenders, and they would be more impressed if they thought that in the penitentiary they would be worse off than they are at home. As a matter of fact there are, I suppose, many people who would not be as well off at home as in the Bordeaux jail, where there are nice beds, running water in the rooms, and many other conveniences. I was amazed to see how comfortable the prisoners were. My chauffeur was with me on the occasion of my visit, and I said to him: "You had better pick out your room. You would be better off here than at home." I do not see why we should make our prisons places to which our people might desire to go.

Hon. Mr. GRIESBACH: I should like to ask three questions of the honourable gentleman who introduced this subject. In the first place, has he read the Penitentiaries Act?

Hon. Mr. LEWIS: No, I have not.

Hon. Mr. GRIESBACH: Has he read the regulations compiled by virtue of that Act, and approved by the various Ministers of Justice?

Hon. Mr. LEWIS: No.

Hon. Mr. GRIESBACH: And he has already told us that he has not visited any penitentiaries?

Hon. Mr. LEWIS: Yes.

Hon. Mr. GRIESBACH: A fourth question would be: Does the honourable gentleman not think that he is undertaking a good deal in putting upon Hansard a discussion upon penitentiary discipline and penitentiary methods without having first acquainted himself with the most essential matters?

Hon. Mr. LEWIS: No; because my sole object is to obtain information. I am in the same position as the general public with regard to this question. They have become very thoroughly seized of the idea that there

are abuses in penitentiaries and that a policy of secrecy is being maintained. If I had waited till I could do what the honourable gentleman suggests, I should not have spoken at all.

Right Hon. ARTHUR MEIGHEN: Honourable members, I had not intended to say anything on this resolution to-night, but I find it difficult indeed to retain my seat and permit the material which has been put upon record by the honourable member (Hon. Mr. Lewis) to go out without some comment. The desire of an honourable member to secure information on this or any other subject of public concern is indeed commendable, but I should have thought it still more commendable for him to exhaust such sources of information as are easily at his disposal before making himself the mouthpiece for spreading throughout Canada complaints against our system, especially the complaints of persons confined in our penal institutions.

The honourable member seems to be under the impression that there is a feeling abroad of distrust and suspicion; that our penal institutions are harshly and unwisely conducted; that the men confined in them are not properly treated, and that discipline is very roughly and rudely enforced. I should not much wonder at such impressions getting abroad if the habit were to become general, not only among newspapers, but also among members of the Senate or the other House, of appealing to prurient sentiments in this regard on the basis of statements of convicts and other equally reliable authorities. How an honourable member of this House can justify himself in spreading upon the records of this country the complaints of convicts as to what a paddle is, without having ascertained for himself, as he could easily have done, what it is, and the only time it can be applied, is more than I can understand.

Hon. Mr. LEWIS: What is it?

Right Hon. Mr. MEIGHEN: The honourable member can find out as well as I have found out. I have not brought the subject before this House, and do not intend to make this House the instrument for distributing information as to exactly what a certain instrument in a penitentiary is.

Some Hon. SENATORS: Hear, hear.

Right Hon. Mr. MEIGHEN: I have visited our penitentiaries on many occasions to make inquiries, and have had, perhaps, peculiar opportunities to learn something with regard to the general conduct of those institutions. I would call the attention of the House to the fact that the penitentiary is a Dominion institution, where, under the

constitution of this country, the harder and viler classes of criminals are confined, and that only those who have been sentenced by a judge to two years or more can be confined in them. Prisons come under the jurisdiction of the provinces and are recognized historically, in this country as in others, as places of confinement for lesser offenders, and their purpose is improvement and correction more than punishment. The penitentiary is the place for more or less desperate criminals, or at all events a class of criminals who are less subject to correction than those who are sentenced to the jails and the prisons.

The honourable member says that our guards are not of the right type. Well, I have not the honour of knowing any of the guards in our penitentiaries, I think, although in times past I have had the privilege of seeing some of them at work. I venture to suggest, however, that a penitentiary would be an exceedingly curious institution, housing, as it does, hundreds of convicts, or even a thousand, many of whom are of the most desperate character and of a type that one would not like to attempt to describe in this House, if the guards who are responsible to the country and to the Government for their care and discipline, and for holding them in check, were not of the police type, but, as the honourable gentleman recommends, of the type of missionaries, whose business is that of correction and teaching. The honourable member says the guards should be men who would be ready to give their services on the same principle as preachers, teachers, missionaries and members of the Salvation Army give theirs. I cannot express my astonishment that an honourable member of this House should suggest that any penitentiary so organized and so manned, to maintain discipline amongst a group of convicts such as I have described, could continue to exist. No one will contend that every guard is just what he ought to be, or that none of them make mistakes. But guards cannot be of the type the honourable gentleman has in mind, and if he availed himself of his opportunities as a member of this House to visit our penitentiaries and see what the guards have to do, he would never make such a suggestion as he has made here.

The honourable gentleman thinks that the men at the penitentiaries should be placed on farms so far as possible. This is done to some extent, but there come times when they cannot be allowed even that degree of liberty. Then the honourable gentleman would like to have them engaged in games around the penitentiary, so that they would be pleasantly tired at night and would sleep

Right Hon. Mr. MEIGHEN.

happily; and there should be even music halls, radios and all that sort of thing. Has the honourable gentleman any suspicion of the kind of men he is talking of? A certain proportion of them, it may be, could be occupied in this way, but, if I have gained any conception of the real nature and function of a penitentiary, it certainly cannot be run on the principles the honourable gentleman has in mind. If it were, we should have, not fewer riots, but many more, and the men confined in the penitentiaries would very soon be the men in charge.

I may be forgiven for saying that I have had some reason to inquire very carefully into the general principles that govern the conduct of these institutions. I was associated with the Department of Justice for some time, and had special charge of the Parole Branch. I cannot imagine that anyone, if he gave even the least thought to the subject, would ever suggest that in a penitentiary the question of punishment for the sake of discipline should be a matter of judicial decision. According to the honourable gentleman, a county judge is to be brought in; he is to sit on the Bench; the prisoner to be disciplined is to be placed on one side, and the warden on the other, and the two are to argue before the judge the question whether or not the prisoner shall be disciplined. They are to be of equal status, and the judge is to decide between them. He will be able to come once in three weeks, and the paddle or the bread and water will have to wait, for the matter is to be one for judicial determination.

Hon. Mr. LYNCH-STAUNTON: Give him a jury.

Right Hon. Mr. MEIGHEN: Perhaps there ought to be a jury.

Hon. Mr. GRIESBACH: A jury of convicts.

Right Hon. Mr. MEIGHEN: Perhaps that would suit the sentiments of the honourable gentleman from Toronto (Hon. Mr. Lewis).

There have been riots in our prisons, but on the whole they have been pretty well conducted. Read this report. There was a riot in 1921; there were four more before mid-summer of 1930. None of them were of any great importance. A very considerable riot took place last year. No man can read this report, however, without coming to the conclusion that the reason why the rioting last year was more successful and on a more extensive scale than previously was that there were admitted to the penitentiaries certain types of convicts who had been pretty well coddled and exalted in importance by a sec-

tion of the press of our country, and who regarded themselves more or less as leaders of society. They had developed considerable organizing ability, and it was because of their skill in working upon the other inmates that the outbreaks reached such large dimensions. These are, I think, the facts that protrude from this report. The riots occurred not because the guards were not missionaries, not because there was no judge to decide when the paddle was to be applied, not because they had not had enough exercise on the farm, or play in the evening; but because of certain definite and extraordinary types of men having been admitted to the institutions, and, no doubt, because of a measure of inefficiency on the part of certain officials.

I know one warden, perhaps, particularly well, and I know that many a man who has gone out from under his charge has blessed him for the influence he exercised. Notwithstanding this, I know that under him discipline is rigidly observed. I should like the honourable gentleman for just a short time to put himself in the place of that warden. If he could do so for even a single day, he would not make himself the mouthpiece of the sentiments that he has expressed in this House this evening.

The Hon. the SPEAKER: Does the honourable member wish to have the motion put to a vote?

Hon. Mr. LEWIS: Certainly, I want the motion put.

Hon. Mr. GILLIS: I understand that the honourable senator from Pictou (Hon. Mr. Tanner) desires to speak to the motion. For this reason I would move the adjournment of the debate.

The debate was adjourned until to-morrow.

CANADIAN NATIONAL-CANADIAN PACIFIC BILL

INQUIRY

Hon. Mr. HUGHES: Before we proceed with the Orders of the Day I wish to ask the Government a question. I understand that the committee of this House now considering the Duff report, and the Bill founded on it, came to the decision, at a recent meeting, that the arbitral tribunal should consist of three members. To-day I read in the Mail and Empire an Ottawa dispatch as follows:

The Mail and Empire is authoritatively informed that the House of Commons will make no appreciable—

Some Hon. SENATORS: Order.

Hon. Mr. GILLIS: I rise to a point of order. The chairman of the committee made the very proper observation, the other night, that no reference should be made to the committee that is now sitting.

Hon. Mr. HUGHES: If that is correct, I am quite willing to abide by the decision.

The Hon. the SPEAKER: The honourable gentleman can put a question, but he should not make any reference to what is taking place in the committee.

Hon. Mr. HUGHES: I am reading a dispatch from the Mail and Empire, and upon it I shall found the question:

The Mail and Empire is authoritatively informed that the House of Commons will make no appreciable alteration in the railway legislation which will come to them next week from the Senate. The declaration means that the compulsory arbitral tribunal will stand. The single concession will be an increase in the C.N.R. trustees, from three to five.

I would ask the Government whether that dispatch is correct and authoritative.

Right Hon. Mr. GRAHAM: May I be allowed to say a few words before the right honourable leader of the Government speaks? As chairman of that committee I think I voice the sentiment of all its members when I say that the committee will come to its own decision.

Hon. Mr. HUGHES: I am not questioning that.

Right Hon. Mr. GRAHAM: And it will be reported to this House. Neither the House of Commons nor any member of that House will have anything to say about the report until it has been disposed of in this House.

Hon. Mr. HUGHES: I am only asking whether this dispatch is correct.

Right Hon. Mr. MEIGHEN: I cannot answer a dispatch dealing with a matter that is before a committee of this House, for the reason stated by the right honourable senator who is chairman of the committee referred to. But even if the rules did not prevent me, I would never attempt to answer in this House for what the House of Commons may do in the future.

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

THE SENATE

Wednesday, February 15, 1933.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. McMEANS, Chairman of the Committee on Divorce, presented the following Bills, which were severally read the first time:

Bill C, an Act for the relief of Margaret Borham Willson.

Bill D, an Act for the relief of Clarence Eldon Durham.

Bill E, an Act for the relief of Maurice Pashlink Simon, otherwise known as Maurice Simon Pashlinski.

Bill F, an Act for the relief of Marjorie Elizabeth Rae Dixon.

Bill G, an Act for the relief of Joseph Adrien Desmarteau.

Bill H, an Act for the relief of Henry Norman Bethune.

CANADIAN NATIONAL-CANADIAN PACIFIC BILL

QUESTION OF PRIVILEGE

Before the Orders of the Day:

Hon. J. MURDOCK: Honourable senators, I feel compelled to rise to a question of privilege affecting a committee of the Senate. Yesterday evening I asked the honourable senator from King's (Hon. Mr. Hughes) to make an inquiry as to a certain newspaper item in the Toronto Mail and Empire of recent date. I had to leave the House before my honourable friend brought the matter forward. On referring to Hansard I find he did not get very much information, but was chided for bringing up a question with respect to a matter now before a committee of this House. I find no fault with the position then taken, but if that is good for one member of this House it should be good for all members, and I now raise a question of privilege under Rule 42.

I hold in my hand a copy of the Ottawa Citizen of February 13, also a copy of the Montreal Star of the same date. In the Ottawa Citizen I find an article with this caption:

Senator opposes Beatty's scheme of amalgamation.

W. A. Griesbach gives 'three fundamental objections' claiming rail plan not feasible.

Right Hon. Mr. MEIGHEN.

That particular question and all that is implied in connection therewith were before the Railway Committee of this House at that time, and still are.

The Montreal Star carries statements that are absolutely untrue—so untrue as to be silly, and, as I am sure that the honourable senator must have been misquoted, I think he should have an opportunity to correct any such silly, untruthful statements.

The Chairman of the Railway Committee of the Senate (Right Hon. Mr. Graham) took me to task the other day, and quite properly so, for forgetting that I was a member of that committee. Last night, as I have said, my honourable friend from King's (Hon. Mr. Hughes) was taken to task for bringing forward a question still under consideration by the Railway Committee. I take no objection to this rule being enforced. But I should like to know whether, if the rule is to apply on Parliament Hill, a member of the Railway Committee is to be free to go out and broadcast statements of the kind contained in these two press reports, so as to tickle the ear-drums of the uninitiated, who first, last and all the time are against this, that and the other thing? If that can be done, then I may as well say that I can do as much of it as anybody I know of. But I do not believe it is the proper thing to do, and that is the reason I bring the question to the attention of honourable senators, on the principle that what is sauce for the goose is sauce for the gander. If we as members of the Senate committee must bide our time and not discuss this question outside until it has been finally disposed of by the House, I am quite prepared to govern myself accordingly; but I do not want to have the rule applied to one member of the House and not applied to another member, who for the time being happens to be sitting on the Government side.

I hope that the honourable senator who is reported as making statements that are silly and untrue—

Some Hon. SENATORS: Oh, oh.

Hon. Mr. MURDOCK: I use the words advisedly. I repeat, the statements are silly and untrue, and I hope he will take the earliest opportunity of correcting the press reports.

Right Hon. Mr. MEIGHEN: I understood the honourable gentleman to refer to Rule 42. I have not myself textually read the rule. If he has it before him, would he be good enough to read it?

Hon. Mr. MURDOCK: Rule 41 provides:

Whenever a matter or question directly concerning the privileges of the Senate or of any committee or member thereof, has arisen, a motion calling upon the Senate to take action thereon may be moved, without notice, and shall, until decided, unless the debate be adjourned, suspend the consideration of other motions as well as Orders of the Day.

Some honourable senator may ask, "Why do you not make a motion?" I do not desire to stress that rule.

This is Rule 42:

Any senator complaining to the Senate of a statement in a newspaper as a breach of privilege, shall produce a copy of the paper containing the statement in question.

I have done that, and if honourable senators would not think I was taking up too much time I should like to read both newspaper reports and put them on record.

Hon. Mr. GRIESBACH: Send them over to me and I will read them.

Right Hon. Mr. MEIGHEN: I would remind the honourable gentleman that he has not read the rule in question; that is, if I have got the purport of what he has read. The rule I would ask him to read is the one referred to by the Chairman of the Railway Committee, which forbids discussion in this House of any subject already committed to a committee of the House.

Hon. Mr. MURDOCK: I have not that rule before me. I am not questioning it. I regard it as logical and consistent. The Chairman invoked it the other day in the Railway Committee, and I think it was in reference to myself. Maybe I had forgotten the rule for the moment.

Hon. W. A. GRIESBACH: Honourable senators, every member of this House has the right to rise to a question of privilege with respect to a newspaper article which has misquoted him. In this instance I have the right to rise and complain of a misquotation. The honourable member for Parkdale (Hon. Mr. Murdock) has no right to claim that I have been misquoted. I have to look after that matter myself.

In the first part of his complaint he appears to stress the point made by the right honourable gentleman from Eganville (Right Hon. Mr. Graham), that after a subject has been committed to a committee it ought not to be discussed in the House until the committee has made its report. That I understand to be the rule, and, so far as I know, no one has violated it. That rule, however, does not preclude a senator, whether a member of the committee or not, from discussing in public a matter of public import-

ance, even though committed to a committee of this House. There lies a world of difference between what the honourable gentleman believes to be our rights here, on the one hand, and our rights outside the House.

Now, as to the statement attributed to me by the two newspapers, I can largely agree with the honourable gentleman in characterizing it as untrue and silly. He himself says it must be a misquotation. It is. My recollection is that the statement in the press is that I said firemen drew wages of from \$450 a month to \$500 a month. I did not do anything at all about it. Any man who makes a fairly lengthy speech is pretty lucky if he has nothing more to complain of than one misquotation. What I intended to say, and what I think I did say, was that in normal times locomotive drivers drew salaries of from \$250 to \$450 a month; and in making that statement I relied largely on information brought down to this House by the honourable gentleman (Hon. Mr. Murdock) himself.

MIGRATORY BIRDS CONVENTION BILL

FIRST READING

Bill 19, an Act to amend the Migratory Birds Convention Act.—Right Hon. Mr. Meighen.

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

THE SENATE

Thursday, February 16, 1933.

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

Prayers and routine proceedings.

CAUSES OF THE DEPRESSION

INQUIRY AND DISCUSSION

Hon. J. J. HUGHES rose in accordance with the following notice:

That he will call the attention of the Government to some of the things that affect us as a member of the British Commonwealth of Nations, and as a member of the world of nations, will ask the Government whether it still believes the policy of Protection to be economically sound and politically wise, and will review some of the trends of the times in an effort to ascertain the cause or causes of the depression.

He said: Honourable members, man in the course of his sojourn on this earth has experienced many afflictions, but the present depression is probably more widespread than any of those afflictions with the exception of the

Deluge, and differs from them in other respects. The Deluge, the destruction of Sodom, the plagues of Egypt, appear to have been caused by the direct intervention of the Almighty; this world-wide depression seems to be more the work of man himself. And if he has not wilfully closed his eyes and hardened his heart he will surely get useful lessons from it. Perhaps these lessons had to be impressed upon him for his own good.

Of one thing we may be certain: God knows all about it. "Not a sparrow falls to the ground without your Heavenly Father's knowledge and permission." The peculiar thing about this affliction or depression is that while the earth has produced and is producing more food than man can gather into his barns, while the manufacturing establishments are able to turn out more clothing than the people need, while the transportation facilities of the world are atrophying for lack of work, tens of millions of men, women and children are naked and hungry. In fact, many say it is superabundance that is causing the scarcity. If an intelligent being on another planet were to look down at this world and observe its troubles, he would surely conclude that if man ever had been endowed with reason he had lost it. We have a World Court and a League of Nations; we are holding national conferences and Empire conferences and world conferences, and while in some cases we honour God by mentioning His name in a conventional manner during the preliminary remarks on the opening day of such conferences, it never enters our minds that we could not get along without Him. Yet, if Christianity be true, "Without God we can do nothing"—and the nations of Europe and America, with the possible exception of two, are supposed to be Christian.

Pride was the first sin to enter the world. I think it is the sin that is destroying the world, though, no doubt, the other sins also are getting in their work.

Apparently intelligent world opinion has come to regard protective tariffs as the major material cause of our troubles. Therefore the depression has already accomplished something. In the Montreal Star of January 25 last I find a quotation from a speech delivered by Sir Robert Borden at Toronto a short time previously:

To-day is the testing time of the world's political leadership—

Sir Robert warns the statesmen of the world, —and we cannot believe that it will fail. War debts, armaments, tariffs block the way. Beyond lies the road to more normal conditions.

Hon. Mr. HUGHES.

Sir Robert is certainly a worthy citizen in many respects, but we cannot forget that he was the leader of the political party which, in 1911, induced Canada to reject the offer of the United States to lower, in fact to wipe out, the barriers to trade in natural products between the two countries. That was an agreement such as we had for years endeavoured to obtain. When we were offered a more generous measure than we had ever expected to receive, the malign influence of party politics was a stronger factor than the welfare of the country—than the welfare of two countries. When we are tempted, as we often are, to refer to the Smoot-Hawley tariff as proof of the narrowness and unfriendliness of our neighbours in respect to trade matters, we should not forget the Reciprocity Treaty of 1911, which the United States kept on the Statute Book for years to suit our convenience, and which we declined to notice. What crimes are committed by statesmen the world over because of the pressure of party politics!

The newspapers have reported the addresses given by the Presidents at the annual meetings of the Royal Bank and the Canadian Bank of Commerce, also the addresses of the President and the General Manager of the Bank of Nova Scotia, all of whom have declared that the burden of protective tariffs must be removed before we could hope for a revival of trade. The General Manager of the Bank of Nova Scotia spoke as follows:

No measure is more pressingly needed at the present time than a sweeping reciprocal reduction in the tariffs of all the principal trading countries, which will release the now thwarted productive energies of their citizens and permit of an expansion of their commerce. In this matter the world is waiting for bold leadership.

It is probable that some of the men to whom I have alluded, in addition to Sir Robert Borden, have changed their minds on the matter of trade; and, if so, they are not ashamed to admit it. It is no reflection upon any man that he has changed his mind. In fact it may denote that he has a mind to change; that he possesses greater knowledge to-day than he possessed yesterday, and that to-day he is more conscious of his moral responsibility to God and his country than he was yesterday. I am desirous of ascertaining whether the Government has changed its mind and is now in line with the strongly pronounced, mature conclusions of these and many other men on this subject, or whether, like the Bourbons of old, it is unable to learn or forget anything. Something the right honourable gentleman who leads this House (Right Hon. Mr. Meighen) said somewhere recently is encouraging; but after reading a

newspaper report of a speech delivered by the Prime Minister a short time ago at Hamilton, I am afraid the Government has the Bourbon mentality, and cannot get rid of it. I hope I am mistaken. I think it was in the Hamilton speech that the Prime Minister spoke of the balance of trade theory, and said that for some time we had been exporting more than we were importing, and that our foreign trade, therefore, was healthy and profitable. Other members of the Government from time to time make similar statements. There could not well be anything more fallacious, and it is time such talk stopped.

Surely we ought to be able to reach a definite understanding on a matter that is capable of mathematical, or almost mathematical, demonstration. When our exports are greater than our imports, if we are not making investments abroad or paying foreign obligations, we are trading at a loss, and the measure of our loss is the excess of our exports over our imports. Our exports are our outgo, and our imports are our income—and most people like to increase their incomes. As individuals we can easily see that the more any person gives us for what we give him, the better it is for us; and there is really no difference in principle between international and individual trade.

If we may judge by the agreements entered into at conferences held in recent times, and by the utterances of statesmen in many parts of the world, it is believed to be a sound principle in trade for one country to levy upon the goods of another a customs duty equal to the difference in the cost of production of such goods as between the two countries. A moment's reflection, however, ought to convince any one that if this principle were carried out fully there could be no trade between them. Why does any one ever buy anything from another country unless it is that he gets a given article at a lower price, or a better article at the same price? Abolish this advantage and with a stroke of the pen you abolish all international trade. Of course international trade cannot be entirely abolished if the nations survive at all. International trade is to the world what blood is to the human body. But it can be so crippled that the peoples of the world will be impoverished and shut out from all the advantages which unshackled trade would confer upon them.

It is generally supposed that a world conference will be held some time after the coming Washington conference, and the question arises, Can men holding fundamentally fallacious views on trade matters go to that conference and reach sound agreements on the subject of trade? I have tried to emphasize the importance of the trade question

because, as I see it, if the shackles were removed from international trade, many other questions, such as rates of exchange and volume of currency, would in some measure, at least, adjust themselves.

During the session of 1932 the right honourable the leader of the House (Right Hon. Mr. Meighen) made the following statement:

What is clear beyond all question is that the world is entangled in a great coil of debt; that the world's debts, national as well as private, are out of all proportion to commodity values. Debts as between individuals adjust themselves. The creditor finds that he must adjust or he loses all. Economic forces bring this about. But international debts are in another sphere, and it seems to me so plain that he who runs may read, that unless there is a readjustment of international debts a return to prosperity on the part of the world, especially on the part of creditors, is finally and wholly impossible.

Sir Arthur Salter says:

The fall in gold prices by about 40 per cent in two years has made the load on the backs of debtors of every kind, private and public, national and foreign, insupportable.

These statements are so weighty and so wise they are worth repeating, and what is needed, perhaps more than anything else, is some immediate and adequate action to carry out as far as possible the principles underlying these statements. The United States holds the key to the international situation. It is never easy to convince the creditor that it is to his own advantage to forgive his debtor; but some progress in this direction was being made, an atmosphere of good-will was being created, when the Right Hon. Mr. Chamberlain made his unfortunate speeches. If the matters to be adjusted at conferences could be settled by speeches beforehand, why hold conferences at all? I should think that the greatest asset of a conference would be the personal touch, and the personal explanations that could be made on the spot, and it must be clear to even ordinary people like ourselves that these things cannot take place till the delegates meet. Mr. Chamberlain's speeches appear to be open diplomacy with a vengeance. All we can do now is to hope that common sense may prevail. Fortunately, he is not saying anything on the situation now.

As I see it, if no satisfactory arrangement can be made with the United States, the other countries should ship to that country all the gold they have, and then stop talking or even thinking about international debts, except in so far as Europe might have to make some international adjustments of her own. Such shipments would not greatly injure the other nations unless they want to

hoard gold for the next war, and, under present circumstances, would not benefit the United States to the value of a farthing. In fact, if such shipments injured the other countries at all, they would injure the United States to the same, or perhaps a greater, extent. When international debts are taken care of, if not before that has been accomplished, every nation should set to work to adjust its national and individual debts. There is not much difference in principle among international, national and individual debts, and we ought to be able to see our own duties and advantages as clearly as we have been able to comprehend those of the United States. If we cannot see what we should do ourselves, and cannot do it, all our preaching to the United States has been window-dressing.

Apparently the world is now pretty well convinced that it is only by goods and services that international debts can ever be really paid in a large way. If this depression has hammered in that lesson, it has done some good. Unfortunately, the United States, through her legislation, has made payment to her by these means, or either of them, impossible.

Bradstreet's Weekly estimates that, apart from war debts, the United States has investments abroad amounting to \$21,000,000,000, on which the annual interest would amount to \$1,616,000,000. The war debt payments would total \$250,000,000 more. That country would have to stop exporting altogether and considerably increase its imports to enable other nations to pay these enormous sums. Other countries would probably be willing to pay their debts, or part of them, by doing the carrying trade of the United States, but she will not accept such service. It has been estimated that to prevent such service being rendered she has paid out in subsidies to her own shipping companies in the last twelve years between two and a half and three billions of dollars. Her statesmen say to other nations, "If we cancel the war debts in whole or in part, you must allow us to send you more goods than we are shipping you at present." Apparently these statesmen fail to see that this process would not reduce the total indebtedness at all, but probably would increase it by large sums, and if payment were exacted in gold, or some other metal of which the world had a very limited quantity, the last state might be worse than the first. Have the statesmen of the world been struck with moral and financial blindness, and are they going around in circles and getting nowhere?

Hon. Mr. HUGHES.

This thought generates another idea. Are the real, underlying causes of this world depression moral and spiritual, rather than material? To answer this question intelligently one must go back to the beginning of things and make at least a rapid survey of some of the outstanding events in history. I presume it is not necessary for any one to undertake to prove to this assembly or to any assembly of Canadians that there is a God; that He created the universe, including this world and all it contains, even its masterpiece called man; that He endowed man with free will, namely, the power to obey or disobey; that He gave him intelligence enough to know whence he came and whither he is going—or at least intelligence enough to reason about these things, and intelligence enough to measure and weigh the stars; that He gave man some rules or commandments for his guidance; that in some way or other man disobeyed these rules and thus forfeited the intimate friendship of God and incurred the penalty; that part of this punishment was darkness of the understanding, weakness of the will and a propensity to evil; that man gradually drifted farther and farther away from God; that one race or nation remained more faithful than the others; that God was pleased with this faithful nation and from time to time inspired good men among them to reveal His will to their fellow men, and gave to this nation, through one of their leaders, Moses, an exact code of moral laws called the Ten Commandments. All these things I feel sure the vast majority of Canadians believe, and they all postulate the omnipotence and omniscience of God.

We now come to another chapter in the history of the world, and the most outstanding event that has taken place since the Creation. In the fullness of time, and for a great purpose, it pleased God to come to this earth as an infant in extreme poverty, to grow to be a man among men, and thus to confer upon the human race a dignity beyond human comprehension. The trinity of persons in the Godhead is also a mystery to human understanding; for man's comprehension is finite, and the finite can never comprehend the infinite. This does not mean that we are not to use our reasoning faculties to the fullest extent. Reason is one of God's best gifts to man and should never be stifled; but once we are convinced that it is God Who is speaking to us, the highest use of reason is to believe without doubting. This is well illustrated in the case of St. Thomas, who did not believe in the bodily resurrection till he got the most convincing proof; then he fell on his

knees and adored. It is still better illustrated in the case of St. Peter, as recorded in the sixth chapter of St. John. Our Lord propounded to His followers a mystery beyond human comprehension. No one could understand it; many refused to believe it and therefore went away from Him. He turned to the Apostles and said, "Will you also go?" St. Peter answered, saying: "Lord, to whom shall we go? What other leader shall we follow? What can we do? Thou hast the words of eternal life, and we have believed and have known that Thou art the Christ, the Son of God." On that occasion St. Peter followed the highest method of reasoning of which the human mind is capable. Every day of our lives we believe things we do not understand, on the testimony of some one in whom we have confidence. We can pay a fellow man no higher compliment than to tell him that we will take his "word for it." Even earthly rulers expect us to place enough confidence in them to take their word for many things. It is not unreasonable, and is very pleasing. God requires, and has the right to require, submission of our intellect and will. This is an act of faith, and very pleasing to Him. That must be what St. Paul meant when he said, "Without faith it is impossible to please God." Jesus claimed to be divine, to be equal to the Father in all things, and for this claim the Jews accused Him of blasphemy and declared Him to be worthy of death. To prove His claim, He performed the most stupendous miracles, did things that only God could do; amplified the Ten Commandments; taught man everything it was necessary for him to know, and finally gave His life for this teaching to show that He was man, and raised Himself from the dead to prove He was God. But even so, many persons in Canada, and a still greater number in other countries, do not believe these things.

If the Bible is to be taken as the written word of God, I do not see how these things can be disbelieved. If the Bible be taken merely as authentic history, I do not see how they can be disbelieved. Nobody doubts that Caesar led his army through Gaul and invaded Britain; nobody doubts that Columbus sailed across the Atlantic ocean and discovered the western hemisphere—or at least the southern part of it. Yet there is more and better proof for the birth, life, miracles, death and resurrection of Jesus than there is for either or both the other events.

Again, if the Bible is the written word of God, or is taken simply as authentic history, there is in this world an evil spirit far more powerful and intelligent than man. That

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spirit is continually trying to thwart God's plan in regard to man. That spirit had the power—or was permitted—to take Jesus up into a high mountain, show Him all the kingdoms of the world and their glory, and say, "All these will I give You, if falling down You will adore me."

That is, I think, the particular temptation to which multitudes of men and all nations, some more, some less, have succumbed. Riches, glory, honour, dominion—these make a strong appeal to individual pride, and a still stronger appeal to national pride. It is probably the subtlest and most dangerous of all temptations. It can be presented to the individual as a reward for his personal merits, and to the nation as duty and patriotism. It leads to every effort on the part of the individual to overreach, outwit and exploit his neighbour in all worldly transactions; it leads to jealousies, hatreds, wars, physical and commercial, and to all manner of intrigues on the part of nations. In fact, it substitutes the law of the jungle for the law of God, and would completely destroy the world if the evil spirit had sufficient power to compass its destruction.

Every thoughtful person should, I think, see that if disbelief in the divinity of Jesus became general, the New Testament at least would go by the board. Civilization, as we know it, would also go, and all, or nearly all, moral restraints. History, as I see it, furnishes overwhelming proof of this. But bad as the world is, imperfect as it is now, it is a great deal better than it was during any historical period of the pre-Christian era.

Disbelief in the divinity of Jesus, even in the existence of God, is far more widespread than many persons imagine. Before the War it was well known that atheism was openly taught in the universities of Germany. The German scientists and higher critics had gotten away beyond the "superstition of Christianity," and the idea of a Supreme Being was repugnant to such men. There was no being superior to these men themselves, and their Kultur was almost worshipped by the rest of mankind. Many rich families in every part of the world sent their sons to Germany to finish their education. That was only a few years ago, and where is Germany to-day? There is none so poor as to do her reverence now. "The Lord has looked out from His pillar of glory and all her brave thousands are dashed in the tide."

Perhaps nations have to be punished in this world for their infidelities, as they cannot, like individuals, be punished in the next. Let us not, however, delude ourselves with the

idea that Germans are much different in these and all other respects from the people of other countries. A little introspection might do none of us any harm.

Some few weeks ago I read in the newspapers this Canadian Press dispatch, which should, I think, receive some attention:

"I think we are foolish unless we keep our eyes on Russia, and study some of the ways the planned society there is working out, and be humble enough to take a lesson or two," said Professor King Gordon, son of "Ralph Connor," addressing the Canadian Club here to-day.

Professor Gordon visited Russia a year ago, and he denied that visitors were taken around only to "show places" and shown only the most favourable aspects of life there. He had been absolutely unhampered.

Speaking of the general impression that in Russia individual initiative was discouraged, the speaker remarked that in place of this one found "definite controls directed toward the present and future welfare of the country."

Though Orthodox religious education was outlawed, it was not true that no religion existed in Russia. "There is a dynamic religion in the country to-day," Professor Gordon said. "You need only watch the people at Lenin's tomb to see that."

I have been told that Mr. Gordon is a Professor of Christian Ethics in a Montreal college affiliated with McGill University. It seems that Mr. Gordon rather approves of the situation as he found it in Russia—the religious and other conditions. He found Orthodox religion—which, I suppose, means Christianity—outlawed in the schools, but he found a "dynamic" religion in the country. I do not know what dynamic religion is, but evidently it is not Christianity. All the same, according to the press dispatch, Mr. Gordon rather approves of it. Yet Mr. Gordon is a Professor of Christian Ethics in a theological school affiliated with the leading university in a Christian nation. It is all very strange and bewildering to me, and I think it is a sign of the trend of the times. A few years ago there were ugly rumours in regard to the teaching and other things in the University of Toronto. These rumours have died away. Let us hope they were not well founded.

Mr. Philip E. Wentworth has an article in the Atlantic Monthly of June, 1932, entitled, "What College Did to My Religion." Mr. Wentworth was reared in a Christian, Presbyterian home in one of the middle states of the United States. His parents wished him to study for the ministry, and he himself was quite agreeable. When he arrived at the age of eighteen and had finished his high school education at home, his pastor wished him to pursue his further studies in a theological college near by, but he wanted to go to Harvard, and his father consented. His

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pastor urged that Harvard was the Sorbonne of Unitarianism, that the very title "Unitarian" was a denial of the Trinity, and that there was great risk of imbibing false doctrines there. These arguments did not, however, prevail, and to Cambridge he went. He states that two years in Harvard made him a Unitarian, four years there made him an atheist; and he further states:

Nine young men and women out of every ten who will graduate this June (1932) would probably admit, if they were called upon to testify, that education has acted as a poison to their faith.

What an indictment of the universities of the Republic to the south! Mr. Wentworth was a member of the graduating class of 1928 and rather glories in the fact that he is no longer a Christian, for he says:

They—the churches—cannot give Him (God) up and remain Christian; they cannot keep Him and retain the loyalty of educated people.

Nevertheless, Mr. Wentworth does not appear to be quite at rest in his own mind. He makes some significant admissions. He says:

The really serious dangers of skepticism become apparent when a student rejects the supernatural part of his religion and concludes that there are no valid reasons left for decent conduct. Robbed of standards, he is likely to adopt the easy ethics of business, which permit a man to do almost anything so long as it leads to success in moneymaking. This commercial point of view is rapidly becoming the real philosophy of the nation, as Mr. Adams brilliantly demonstrates in "The Epic of America."

Again, he says:

But only a congenital optimist could bring himself to believe that a mere system of ethics, however satisfying to the intellect, could ever take the place of religion among the masses. Most men and women are incapable of sustained self-control. Greed, pride, lust, are too much for them.

Observe the insinuation that infidelity satisfies the intellect, but that perhaps, after all, Christianity is best for the masses. And these are the kind of men the American universities are turning out. But there is more to follow:

In so far as the colleges destroy religious faith without substituting a vital philosophy to take its place, they are turning loose upon the world young barbarians who have been freed from the discipline of the churches before they have learned how to discipline themselves. Perhaps this was what one of my least orthodox Harvard professors had in mind when he once said, "There are only a few men in the world who have earned the right not to be Christians."

In the end, what a cry of despair comes from Mr. Wentworth! But all the same, he and those who agree with him think they are

superior in intelligence to all the Christians who have ever lived. For the Christians they have either scorn or pity, but for themselves adoration. They are ready to worship anything but God, and this is to them a mark of profound intelligence. The devil has achieved some great victories!

A few years ago Kipling wrote, "There ain't no ten commandments east of Mandalay." A few weeks ago *The Literary Digest* wrote, "There are no ten commandments for the majority of the people in the United States." The colleges and the universities in that country are doing their work well. Even Mr. Wentworth saw the inevitable, but he rather gloried in it. He would go down to destruction rather than admit the divinity of Jesus, or acknowledge the sovereignty of God.

A few months ago I read in the newspapers that there was one divorce for every six marriages in the United States, and if the Catholic population were not counted there would be one divorce for every five marriages. Furthermore, if for the next few years the growth of divorce should be as great as in the last few years, there would be one divorce for every three or four marriages. Quite recently I read in the *Mail and Empire* a statement given out by Mr. Justice Bartlett, who had retired from active service at Reno, Nevada:

A Reno Judge's Record

Reno, Nevada, has for years been a synonym for easy divorce. Opponents of divorce have been wont to regard Reno as anathema. It is interesting, therefore, to note that Judge George A. Bartlett, who has retired from active life, has a record of having granted 20,000 divorces. When a case had been properly prepared, according to the *Sydney (N.S.) Post*, he reached a decision in ten minutes, and in such instances his court could handle one hundred cases a day. Judge Bartlett, recalling some decrees he granted, says:

"I gave a woman a divorce because her husband persisted in smoking a short clay pipe that smelled terrible. I gave a woman a divorce last year because her husband persisted in playing only jazz music on the radio when she wanted at least a part of it to be classical music. She has a fine musical taste and I know what she called those radio quarrels would continue and increase in intensity and mental cruelty to her. I gave a divorce to another wife because her husband played the saxophone all evening until midnight. I have granted divorces to women because their husbands wore horrible neckties, because they used profanity, and in one case, because the husband kept stepping on his wife's feet."

The divorce laws of Nevada were amended recently, making the residence law for those who seek separation six weeks instead of three months. It is not improbable that Judge Bartlett's record will be broken.

These statements by Americans present us with a picture of the moral conditions in that country. We know from the public records

and the news of the day what the material conditions are like: the richest nation in the world, the creditor nation of the world, the most self-contained nation in the world, the potentially strongest nation in the world, having more hunger, nakedness, destitution and discontent than any other nation in the world. Destitution follows spiritual infidelity and moral decadence. In all these respects the United States is but an intensified replica of all the other Christian nations. What will be the outcome? Anybody who will read St. Paul's Second Epistle to Timothy and St. Matthew's Gospel will see all the signs that were to precede the end of the world. They may not mean the end of the physical world as we know it, and, if not, will not mean the end of any institution established by Christ, but they may well mean the end of the institutions established by man to oppose God's plan and to make it appear that Christ was not omniscient, but was an unpractical law-giver whose legislation could not be observed.

We are told that Sodom would not have been destroyed if ten just men had been found within the city. There is doubtless a far greater proportion of just persons in the world to-day than ten would have been to the population of Sodom, and the mercy of God is as great now as it was then, or as it ever was. Humility, the virtue opposed to pride, would probably save the world at any time. But how many individuals will get down on their knees and humbly and sincerely ask God for guidance? There is no means of knowing. Certainly few statesmen will officially do it, and it is not likely that any nation will officially do it. They will rely upon other means, upon what they can accomplish themselves, notwithstanding the mess they have made of things. Worldly means are all right in their place. But I do not think God can be left out of the reckoning, and it seems to me to be the duty of every one who thinks in this way to do his bit, publicly and privately.

Honourable senators, I think I have in these remarks enumerated the trends of the times.

CONTROL OF MOTOR TRANSPORTATION IN CANADA

DEBATE CONTINUED—MOTION WITHDRAWN

The Senate resumed from February 7 the debate on the motion of Hon. Mr. King, seconded by Hon. Mr. Sinclair:

That in the opinion of the Senate the Government of Canada should bring into conference the provincial governments, the executives of the Canadian National and the Canadian Pacific railways, and representatives of the newer form

of transportation, as obtains in the autobus, motor-truck and aeroplane services, with a view of formulating regulations for them of an inter-provincial or national character which would permit of their normal and proper development, and prevent unfair and unwarranted competition with our railway systems.

Hon. W. E. FOSTER: Honourable senators, this resolution deals with the competition of motor transportation with our railways, and I shall endeavour to confine my remarks to this question. The resolution I think is timely, more particularly when the railway situation is under general review, as it is today. During the last few months we have heard a great deal about co-operation and competition between our railways, but we have not heard much about the competition of motor vehicles and other forms of transportation.

I should have liked to hear expressions of opinion from some honourable members who from their connection with the provincial governments have seen expenditure on highway construction increase from year to year. The increase is due to the fact that through the evolution of road transportation the need for highway construction became greater than it was in the earlier days. In other words, the development of motor transportation has laid a very heavy burden upon the taxpayers of the various provinces. I think also that members of this House who have had experience in connection with the building and the administration of highways in the provinces know the difficulty of enforcing regulations with regard to motor traffic on the highways. That is another reason why it would have been interesting to hear some of those honourable members give expression to their views.

I should have liked also to see this resolution broadened a little, so as to take in all avenues of transportation, including waterways, of which I intend to speak before I take up the main subject of the resolution.

I notice by the report of the Royal Commission on Transportation—the Duff Commission, so called—and the evidence given before that commission, which is to be found in the Library in two volumes, and is available to all of us, that certain representations were made by the Maritime Transportation Commission, who claimed that traffic moving by the St. Lawrence-Great Lakes system was indirectly subsidized to the extent of about \$2 a ton. I observe also that the railways do not complain very much of water competition so far as bulk cargoes of grain, coal, etc. are concerned. Nevertheless there is undoubtedly considerable competition prevailing between the waterways of the country and the railways. In this connection I noticed the other

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day, in the Canada Year Book for 1932, reference to the fact that the opening of the New Welland Ship Canal had caused the traffic in iron ore from Point Edward to Hamilton to be diverted from all-rail to water. Formerly, I understand, this movement took place over the Canadian National Railways. Now, by reason of the construction of the Welland Canal, the cost of which is estimated at about \$200,000,000, and which is operated without regulation and without charge, a large volume of the trade which originally moved over the Canadian National Railways has been diverted to the waterways. It seems to me that there should be some way of preventing competition between Government-owned utilities.

Honourable members may have seen in the press this morning a synopsis of the report of the National Transportation Commission of the United States, headed by the late Calvin Coolidge, in which it is contended that inland waterways should be made to pay their own way. I understand further that, as a result of the acute internal competition among the water carriers, it has been found necessary to adopt a system under which rates are maintained at a fixed level; and it has been felt by representatives of the Western grain growers, and I believe rightly so, that the steamship companies have taken advantage of this ability to control their own rates. I have thought it timely, therefore, to mention the competition of the waterways—a subject which is not mentioned in the resolution—and to stress my belief that the control of our waterways, as well as of other avenues of transportation which enter into competition with the railways, should be given consideration.

The resolution deals particularly with highways. Having had some little experience with regard to the construction of highways as far back as 1917, I know something of the difficulty and expense of maintaining those highways since the coming of heavier vehicles, and their more general use. It is not my intention to suggest that there should be any interference with the free use of these avenues of transportation by the commerce of the country. But it is my belief that there should be more thorough regulation than there has been in the past.

Our modern system of highways has been constructed almost entirely at the expense of the provincial governments. In 1919, I think it was, the Dominion Government did give assistance to the provinces in connection with the construction of some of the trunk roads; and at the present time it is giving aid towards the building of the trans-Canada highway.

Nevertheless, the burden of the cost and maintenance of the highways has fallen mainly upon the governments of the provinces.

When the idea was first conceived of entering into the construction of these roads on a large scale, it was not intended that they should be exploited for commercial purposes by the owners of heavy transportation vehicles. The idea was to construct a highway, which was not too costly, for the use of private motor-car owners and of tourists, who were coming here in ever-increasing numbers from the United States. But the evolution of motor transportation has brought with it heavier vehicles, and has placed upon the shoulders of the taxpayers and the governments of the various provinces, by reason of the wear and tear upon the roads, a very much heavier burden than was originally anticipated. I do not know that, within limitations, there can be any objection to the use of highways for the purposes to which they are now being put; but the burden of which I speak has now reached such proportions that it is questionable whether the provinces will be able to continue to maintain the highways in passable condition without increasing taxes to an extent that I for one should not like to see.

The cost of constructing those highways was charged to capital account, and we could go out and borrow money for their construction, and for a few years afterwards the roads remained in very good condition without the outlay of large sums of money. However, during the past few years the provinces have not been able to carry on as they had done previously. Some roads had to be rebuilt, and others maintained, and now we have come to the time when this subject is a matter of very grave concern to the provincial governments.

I noticed in the report of the Transportation Commission the suggestion that the burden of maintaining highways should be placed, to the extent of about two-thirds of the total cost, on the motor carriers. I do not think the exact percentage is vital, but I believe that any attempt to charge the operators of trucks and motor buses too great a proportion of the cost would frustrate its own purpose, and would, in many cases, drive this form of transportation from our highways. The result would be that a greater cost than ever would have to be assessed against the owners of private motor cars. On the other hand, to permit conditions to continue as they are to-day would add so greatly to the cost of highway maintenance that it would be necessary to increase the taxation on private cars in order to provide a right of way for commerce generally.

I believe, honourable gentlemen, that we should endeavour to limit commercial transportation in such a way that only that portion of it which is of real economic value should be permitted to increase in volume; and I believe that the time has come when we must definitely consider applying such regulations to commercial motor transportation as will insure this end.

Commercial highway transportation, like railway transportation, concerns those who invest capital in it, those who are employed in carrying it on, and the producers and consumers throughout the country. From the standpoint of those who have invested their money in this industry, I think nothing but advantage would accrue from the adoption of a system of franchises. In this way they would be protected against the non-economical competition that now exists. From the standpoint of the employees, also, I believe it would be beneficial, in that it would make possible the enforcement of proper standards of working hours, working conditions and wages. Experience has taught us the necessity of regulating railway rates in order to prevent the exploitation of the shipper and absurd competition in rate fixing. Without this regulation the business would be uncertain, both as regards those who supply the service and those who make use of its facilities.

The resolution before us suggests the calling of certain conferences. It is well known that the provincial regulation of highway traffic in regard to rates, the responsibilities of carriers, working hours, and other matters, has proved inadequate because of the difficulty of enforcement. If the matter is left to the provinces alone, this condition will continue to exist. Hence, as it is impossible to conceive of proper regulation of rates and proper control in other ways without an extension of authority, the resolution commends itself to me, and I am convinced that any conference should see to it that not only is there uniformity in the provincial regulations regarding highway transport, but some central authority is created to enforce such regulations.

I believe that the regulation of the rates and operating conditions of interprovincial highway transport should be placed under the jurisdiction of some body such as the Board of Railway Commissioners, and that it should be given power to issue certificates of necessity and convenience to those who engage in the transportation of merchandise and of passengers. It would, of course, be necessary to avoid any clash of jurisdiction between the Dominion and the provinces. It might be that the provinces would be willing to

authorize the Dominion Government to extend the control of the Board of Railway Commissioners so that it would have jurisdiction over all interprovincial highway commerce. I am aware that at present the provincial governments may not be ready to accept such a method of dealing with the matter, but I believe that within a reasonable time one province after another will be ready to acquiesce in such a proposal, with regard not only to interprovincial traffic, but to its internal commerce as well.

The National Transportation Commission of the United States has the following to say regarding highway competition:

Automotive transportation should be put under such regulation as is necessary for public protection. It should bear its fair burden of tax, but only on a basis of compensation for public expenditure on its behalf, plus its share of the general tax load.

The committee believes that the situation requires general federal jurisdiction of motor transport. It recognizes that no such intimacy of regulation as characterizes railway supervision can ever be extended to this field, but it is convinced that a broad measure of federal and uniform state control can and should be applied.

Transportation in this country of ours is not only a national industry, one of the greatest employers of labour, and the source of the earnings of thousands of investors, but also a vital public service. I believe it is not too much to say that the economic life of the country depends upon it. The very fact that twice within recent years it has been found necessary to appoint a Royal Commission to consider this subject is evidence that in the past we have not used reasonable care and foresight in planning our transportation equipment. Experience in this and every other country has shown that in order to guarantee the operation of transportation systems on a basis which shall be fair to the users as well as to the owners of them, the regulation of rates and operating conditions is essential; and I say, without fear of contradiction, that we cannot indefinitely continue the present method of regulating our railway systems without seriously damaging the interests of those systems, the competing systems, and the commerce of the country.

I realize that there will at first be criticism of my suggestion that the regulation of highway and waterway transport be placed under the jurisdiction of the body that has so ably regulated our railway transportation in the past, but I am convinced that on fair consideration this suggestion will commend itself to all those interested, that is, to all the country. I believe that such a system would be in the interests of the taxpayers of the

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provinces, who provide our highways; of the taxpayers of the Dominion in their joint capacity as owners of our waterway system and the Canadian National Railways; of the many investors in this and other countries who have placed their capital in the Canadian Pacific Railway; of those who own securities of our steamship companies, and of those who work in any branch of the great transportation enterprises of this country. I believe that, above all, it is in the true interests of the country's producers, merchants, manufacturers and consumers that all public transportation services, and particularly, under present conditions, those that compete with our railway systems, should be under complete and constant regulation and control.

I think, honourable members, that we should bear in mind that our railways are our main avenues of transportation. It may be that they have seen their best days, but they have been with us for a very considerable period, they have served us faithfully and well, they have aided very greatly in opening up this country for settlement, and in a very broad and comprehensive manner they have been powerful factors in our national development. No one who listened to the remarks of Mr. Beatty, the President of the Canadian Pacific Railway, before our Railway Committee a short time ago, could help being greatly impressed with the record of that company since its incorporation. The Canadian Government railway system has also had a very enviable record. Our railways are on the job 365 days in the year. Other means of transportation, such as the motor buses and trucks that use our highways, are often prevented by the elements from maintaining a regular service. Jack Frost sometimes seals up waterways for months, and weather conditions frequently interfere with transport by air. My submission is that our railways should have a fair measure of protection against competition from what might be called those fair-weather forms of transportation.

I may be called to order if I make any reference to the Bill which has been before the Railway Committee, but I hope it will contain some provision for reasonable protection of our railways against competition from these different forms of transportation. If the measure does not contain a provision of that kind, I shall hope that in consequence of this resolution some conferences will be held and legislation brought before us later on for the purpose of safeguarding our railways to the extent to which they are entitled to protection.

Hon. Mr. McMEANS: May I ask the honourable gentleman whether his figures of

the cost of the Welland Canal are official? I am asking merely for the purpose of information. I think the honourable gentleman said the cost was about \$200,000,000, and I should like to know whether that figure is official.

Hon. Mr. FOSTER: No, I do not say it is official; but I saw an article in some paper, the name of which I forget at the moment, stating that the total construction costs, including interest, would be \$200,000,000. I understand that to date the cost, without interest, has been about \$140,000,000.

Hon. Mr. McMEANS: May I also ask the honourable gentleman if he knows whether any tolls are charged on the Welland Canal?

Hon. Mr. FOSTER: There are no tolls charged on the Welland Canal. As my honourable friend knows, the treaty with the United States prevents the charging of tolls.

Right Hon. Mr. MEIGHEN: Would the honourable gentleman favour a system of canal tolls?

Hon. Mr. FOSTER: I certainly would. I believe the inland waterways and canals of this country should pay their way, or pay something towards their construction costs and upkeep.

Hon. Mr. GRIESBACH: Is it not true that the strongest argument against the imposition of tolls on canals is to be found in the fact that the Sault Ste. Marie canal, which carries more traffic than any other canal in the world, belongs to the United States and that no tolls are exacted against Canadian vessels there? If we charged tolls the Americans would no longer permit our vessels to use any of their canals free of charge.

Hon. J. H. KING: Honourable senators, if there is no further discussion, I should like to say a few words in closing the debate. My honourable friend from Saint John (Hon. Mr. Foster) has suggested that waterway transportation should be covered by this resolution, but I think we must be mindful of the fact that waterways were our first avenues of transportation for heavy commodities in this country and that the railways have grown up under this condition. My object in moving this resolution was merely to try to bring before this honourable body a recommendation or suggestion made by the Royal Commission on Railways and Transportation. It found as a result of its inquiries that extensive competition had recently developed between the railways on the one hand and the motor buses and trucks on the other, and suggested the holding of certain inquiries. The right honourable leader of this House, a few days ago, in

speaking to the resolution, pointed out the position that the railways of Canada hold with respect to the needs of our people. He referred to rules and regulations established for the purpose of controlling, in the public interest, the activities of the railways. He also stated that a convenient form of transportation had developed through the operation of motor buses and trucks, and that this form was being widely used and not only enjoyed freedom from regulations governing the railways, but also benefited greatly from the use of highways built and maintained by the State.

The resolution sets out a form of investigation, and in this respect varies very little from the suggestion of the Royal Commission. The Commission states in its report, at page 105:

The related problems of regulation and restriction of motor traffic on the highways could best be dealt with by a conference of the highway departmental officials of all the provinces meeting in conference at the instance of the Federal Government.

The resolution is a little broader in that it proposes that representatives of the motor transport services be included in the suggested conference.

On the editorial page of the Ottawa Citizen of February 8 I noticed a quotation from the Christian Science Monitor with reference to an inquiry conducted in the United States by the Joint Committee of Railroads and Highway Users. As my honourable friend has said, that committee was headed by the late Calvin Coolidge. It had no government status and apparently was brought into being in the hope that it might get some light and arrive at some conclusion on the difficulties confronting American transportation interests. I should like to be permitted to read the opening sentence of the committee's report:

The public is entitled to the benefit of the most economical and efficient means of transportation by any instrumentalities of transportation which may be suited to the purpose, and no legislation should be enacted which has for its purpose the stifling of any legitimate form of transportation.

The committee accepts the principle that "all those using the highways for commercial purposes in interstate and intrastate commerce should be subjected to regulation."

The Christian Science Monitor adds:

And farther on it is agreed substantially that the commercial motor carriers should pay the full quota of those highway costs which are fairly attributable to them, and a system for the allocation of these costs is worked out in detail.

I understand that although the committee has reported, it is carrying on further investigations. The situation in the United States

is undoubtedly more acute than in this country, and it seems to me that we should lose no time in setting on foot an inquiry with the object of maintaining and if possible improving our relatively favourable position.

To invite the transportation interests to come into an interprovincial conference would not be according to precedent or practice, since usually only the governments interested are represented at such conferences. But if an interprovincial conference is to result in more than discussion on the matter it should organize, for the purpose of further inquiry and study, committees or other bodies composed not only of competent provincial government officials, but also of representatives of the transportation interests.

According to a report in the Montreal Gazette of January 17, it would seem that at the recent conference there was a disposition to study the problem from a geographical point of view, it being suggested that the three Prairie Provinces might devise some plan suitable to their local conditions, and that the Central Provinces of Ontario and Quebec, and the Maritime Provinces could do likewise. This would leave British Columbia to work out its own salvation. As to that we should have no objection, for the people in that province are always amenable to a fair and reasonable compromise.

The provinces have met, and, as we have been informed, have carried on a discussion, but apparently there has been no further development. The Montreal Gazette of January 27 says that Premier Taschereau, when speaking in the Quebec Legislature on the results of the conference, stated:

The question was raised as to the competition with railways of motor trucks and motor buses and after the matter had been fully discussed it was decided it would be better to have a conference on the matter later on.

That being so, it would seem to me that the resolution should be carried. At least it would do no harm, and I think it might be of some use. The right honourable leader of the House has suggested that the resolution might be amended so that a committee of the Senate might make the proposed inquiry. Personally I find it difficult to amend my resolution, for it deals with a matter in which the provinces have primary responsibility and will undoubtedly have the last say. But if it is felt that a committee of this House could better serve the purpose, then, no doubt, the procedure would be for the right honourable leader to move for the appointment of such a committee.

Hon. R. H. POPE: Honourable senators, the way in which we look upon the proposal
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to have an investigation into the transportation situation, whether by a committee of this House or by the provinces, will depend very largely upon the section of the country in which we live. I am living in a mountainous area of the Province of Quebec, where no railways have been built for sixty years and where transportation improvements have been made on the highways alone. If we are to have an investigation it should be conducted by representatives, not only of provincial governments, but also of municipalities and of more or less remote areas that have been benefited by the motor truck and bus; and great care must be exercised so that the effect of any decision arrived at will not be to take away the livelihood that many people have built up through the use of transportation by motor truck.

Hon. A. B. GILLIS: Honourable members, I have been informed that the competition from motor trucks and buses is decreasing, because owners of these vehicles are not making a worthwhile profit out of the business. I believe there is some truth in the statement, but I do not know whether the competition will disappear to such an extent that the railways will be able to carry on as they did before these newer forms of transportation came into vogue.

Hon. L. McMEANS: Honourable senators, I cannot very well agree with the remarks of the honourable gentleman who has just spoken. Some railway men who came into my office a short while ago told me that, whereas they used to load five cars of freight every day between Brandon and Winnipeg, they now load only half a carload weekly. I do not see how the competition is likely to decrease. Highways cover the country. A farmer who wants to go into the town to sell produce, or to buy goods, uses the highways, for they pass his door. If his wife wants to go to department stores, where prices are lower, she jumps into her car and makes a quicker trip than she could make by railway. Although I have read somewhere a statement along the same line as that made by my honourable friend, my opinion is that the railways will have to face increased rather than decreased competition from the motor bus and truck in the future.

Right Hon. ARTHUR MEIGHEN: I am sorry the honourable senator (Hon. Mr. King) is asking for a decision on his motion, for I do not like to vote against it. Inasmuch, however, as it calls for a conference of the Federal Government, provincial governments, representatives of the Canadian National Rail-

ways and of the Canadian Pacific Railway, and also representatives of the various motor-bus and motor-truck companies of the Dominion, I fear that I could not take the responsibility of supporting it. Such a gathering, in point of size, would be gigantic; it would dwarf even the House of Commons. It would not be a conference; it would be too large. The last conference, although only the provinces were represented, was about the size of the Senate. Further, it is not the practice, nor do I think the provincial authorities would regard it as desirable, to include private companies in a conference with governments.

For these reasons, although in sympathy with the object of the motion, I do not feel inclined to take the responsibility of supporting it; indeed, I could not justify doing so. If the motion is withdrawn, or not carried, I will consider the suggestion to have a motion introduced, either by myself or by some member who could perhaps more appropriately introduce it, for the appointment of a committee to make inquiry into this subject, with power to summon witnesses.

Knowing something of the pressure upon the Government to-day, knowing a great deal more about it than I did a year ago, and knowing that that pressure is becoming greater and greater rather than diminishing, I feel rather loath to support motions which continually demand investigation of this, that and the other matter on the part of the Government itself.

We are freer here than perhaps any other body of equal status in this Dominion, and I think we might do something worth while by undertaking a systematic study of the problem through a committee. We should have no difficulty in getting into touch with the views of provincial governments, nor with the views of the industries concerned, and we might really bring to this subject some light that would enable governments the more intelligently to act thereon.

If the resolution is withdrawn, I promise to give immediate consideration to the suggestion which first of all I made, and which the honourable gentleman has accepted.

Hon. Mr. KING: Honourable gentlemen, as far as I am concerned, I am very happy to do anything that will bring about the best results in this matter, and if the right honourable leader is prepared to consider the appointment of a special committee of this House to carry out the purpose I have in mind, I shall be glad to withdraw my resolution. I agree with him that interprovincial conferences often do not get very far, and the necessary machinery is often not set up. I had hoped

that out of the suggested conference machinery would be evolved to conduct the inquiry under proper conditions. However, if it is the opinion that a more effective inquiry can be made by a special committee of this House, I shall, as I said, be glad to withdraw my resolution.

The motion was withdrawn.

PRISON DISCIPLINE

MOTION AND AMENDMENT

The Senate resumed from February 14 the debate on the motion of Hon. Mr. Lewis, seconded by Hon. Mr. Hughes:

That in the opinion of the Senate full publicity should be given to prison discipline, and the aim of discipline should be reform as well as punishment.

Hon. C. E. TANNER: Honourable senators, I submit that the motion now before us should not be entertained. It is proposed that full publicity be given in regard to discipline in our penitentiaries. As to how my honourable friend from Toronto (Hon. Mr. Lewis) would arrange for this publicity, and to what extent he would control it, I am left in a great deal of doubt. I am inclined to think that such publicity would be more likely to be subversive of discipline than helpful in its maintenance. Perhaps he has in mind that Parliament should vote sufficient funds to establish a newspaper plant in each penitentiary, to be conducted by a Soviet committee of the prisoners, so that they might air their grievances, real and imaginary, and issue their newspaper for circulation outside the penitentiary. Perhaps that is what he means?

Hon. Mr. LEWIS: Not at all.

Hon. Mr. TANNER: For many years past we have had very careful and thorough inspection of our penitentiaries. As has been pointed out so cogently by the right honourable leader of the House (Right Hon. Mr. Meighen), we are bound to find a weak vessel here and there among the officials, but on the whole I think it is true to say that the penitentiaries have been well managed. We can never expect to allay unrest or dissatisfaction among the inmates of these institutions. It appears to me that my honourable friend and other people who share his views fail to realize this very significant fact, that in a penal establishment, such as Portsmouth Penitentiary, where you have confined upwards of 900 men of criminal minds and criminal training, astute men endowed with a good deal of brain power, many of them leaders in crime, the officials in charge are confronted

with tremendous difficulties and have to assume grave responsibilities in maintaining discipline. It must be borne in mind that only seasoned criminals are sentenced to the penitentiaries; those convicted of lesser offences are sent to other penal institutions. As I have said, you have in Portsmouth Penitentiary 900 men or more, many of them leaders in crime, men who, if allowed their freedom to-morrow, would at once resume their criminal career. Therefore we must not minimize the difficulties which confront those in charge of our penitentiaries.

My honourable friend referred to some statements printed in certain newspapers. I am credibly informed that similar statements were offered to reputable newspapers, but were not published. Why? My honourable friend is an old newspaper man; he knows. Because there was no foundation for the statements, there was no name attached to them, there was nothing to recommend their truth. My honourable friend can tell the House whether the document he read had a name appended to it.

Hon. Mr. LEWIS: No, it had not.

Hon. Mr. TANNER: Or whether it was one of those anonymous communications which reputable newspapers put into the waste-paper basket.

Hon. Mr. LEWIS: Not always. Many anonymous communications are published from time to time by our newspapers.

Hon. Mr. TANNER: I have read some of these published articles, and I have one right under my hand. On their face the statements contained therein are improbable and untrue. I am surprised that a seasoned newspaper man like my honourable friend could be so easily misled by such a document.

We in this Chamber should be endeavouring to hold up the hand of authority, instead of playing into the hands of these reckless men who have to be imprisoned because they are law-breakers. Only the man who is guilty of many serious infractions of the criminal law is put into a penitentiary. Then why should decent, law-abiding citizens be called upon to slobber over these convicts? We know they are well treated and well cared for. We maintain our very expensive penal institutions for these criminally minded men who persist in breaking the law. Why do we place them under restraint? To protect our reputable citizens, to preserve life and property. Yet my honourable friend thinks these desperate convicts should be coddled and made the subject of compassionate speeches. He is addressing the wrong audience.

Hon. Mr. TANNER.

One thing that has moved me to speak this afternoon is that a couple of years ago, happening to be in the city of Kingston, I had the unexpected privilege, in company with a few friends, of going through Portsmouth Penitentiary. I was amazed at the comforts, yes, luxuries which the inmates enjoyed. Each man had a nice, clean, electrically lighted room, a good bed, running water, wash basin, and lavatory; there was a library at his disposal; he was provided with wholesome food, prepared by dieticians; a doctor looked after his health. The work rooms were large, well lighted and well ventilated. I reflected: Who pays for all these comforts and luxuries for these persistent law-breakers? The law-abiding taxpayers, among whom are thousands and thousands of poor people who do not know what a lavatory is, except one at the back door, nor the convenience of running water; who have no electric lights to brighten their homes, and hardly any food to eat; in short, people who have none of the comforts of life. It is these poor taxpayers who must help keep our penitentiary population in luxurious comfort.

Why did the inmates of Portsmouth Penitentiary become mutinous? Because they were not supplied with cigarette papers and fine-cut tobacco, and were not allowed to go in and out of the building as they wished! Those are the principal reasons given in Superintendent Ormond's report on the recent disturbances at Portsmouth. Because of those "grievances" these fellows, so well housed and fed, started in to demolish the whole building. Forty or fifty of them tore out the lavatory fittings, ripped up their beds, and threw the debris out of the windows. They even smashed the electric lights. Well, if they did not want those electric lights they might at least have said to the officials, "Send them out to some of the poor taxpayers who need them."

As I have said, these convicts felt aggrieved because they were kept inside the building. Why are they kept inside? Because, as I said a moment ago, if they were let out they would resume their criminal career. They might even break into my honourable friend's house, steal some of his property, and perhaps threaten his life.

This is not the time nor place to worry ourselves about these turbulent gentlemen. We know they are well provided for. In my judgment they are luxuriously provided for. Talk about not having cigarette papers and fine-cut tobacco! A lot of us cannot afford cigarettes these days, but we have to dip into our pockets to provide the convicts with cigarettes. These desperate fellows, who

would think nothing of breaking into our homes, or even of shooting anyone who resisted them, must be provided with cigarette papers and fine-cut tobacco! It was a man of that type who yesterday, in an attempt to assassinate the President-elect of the United States, seriously injured five persons. The whole world was shocked this morning when it read of his dastardly crime. No doubt he will be sent to the penitentiary. In a few months he may be the ringleader in a prison riot. Why? Because the food is not good enough—because he is not getting cigarette papers and fine-cut tobacco—because the light in his cell is not bright enough. Then a lot of confederates in crime will raise the cry, "This man is being treated cruelly"; and in all probability many gentlemen like my honourable friend from Toronto will join in the chorus and urge that we must have publicity with respect to prison discipline, we must know that the inmates are not being ground down, and so on. The honourable gentleman has referred to the use of a paddle for disciplinary purposes. I never saw a paddle, but I submit that those criminal gentlemen who took part in the wanton destruction of property at Portsmouth deserve a fine dose of the paddle. That is my judgment. That we have refrained from giving them a few such doses is, I think, one of the reasons why they have been so defiant.

I repeat, I do not think this motion is such as this honourable House should adopt, and therefore I beg to move in amendment:

That all the words of the Order after the word "Senate" in the third line be struck out, and that the following be substituted:

that while administration of penitentiaries should be carried on with due regard to humanitarian policies, it is in the public interest that there be recognition of the fact that persons committed to penitentiaries are properly thus placed under restraint for the purpose of protection of society from such offenders against the laws of the country and as a warning to others.

This amendment is seconded by my honourable friend who sits beside me (Hon. Mr. Donnelly).

The Hon. the SPEAKER: The question, honourable members, is on the amendment.

Hon. Mr. McMEANS: I should like to ask the honourable gentleman whose very brilliant speech we have just heard (Hon. Mr. Tanner) whether the adoption of the standard proposed in his amendment might not be an inducement to other people in the country to be sent to the penitentiary.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. LEWIS: I intended to make some remarks upon the main motion, not knowing that an amendment would be moved. Perhaps some one else desires to speak. If not—

The Hon. the SPEAKER: The honourable senator might go on.

Hon. Mr. LEWIS: Honourable members, I have been criticized for bringing into this House a letter which appeared in a Nova Scotia paper, said to have been written by an ex-convict, as though I were endeavouring to spread that piece of news all over this country. If I were intending to make a sensation of the matter I certainly would not bring it into the calm and serene atmosphere of this Chamber, whose proceedings, as we all know, receive very little attention in the press. In this case it would be quite unnecessary for me even to attempt to secure publicity for that letter, because it has been widely published not only in the paper in Nova Scotia, but in papers throughout Ontario. My idea was not to try to spread knowledge from this Senate to the public, but to endeavour to bring this matter of public interest into what has been described as a quasi-judicial body, and to the notice of the Department of Justice, which is represented in this House by the leader on the other side.

That was the course which I pursued about four or five months ago when an immense amount of matter was published in the Toronto papers.

Hon. Mr. GORDON: Particularly the Star.

Hon. Mr. LEWIS: Particularly the Star. It does not matter what paper it was, except that the Star has a very large circulation, and therefore would create a great deal of public interest. At that time, without quoting any letters, I brought the matter in a general way before the Government, and invited it to make a statement, and to hold a public inquiry. But I could get no satisfaction in that way. Nothing has been done since in regard to the matter, except for the report on the Kingston Penitentiary Disturbances, which, though quite proper and right in its way, deals only with the defence of the institution against the convicts. But if the public are now in a prejudiced state of mind and feel that something is wrong with the penitentiaries, the blame rests, not upon me, but upon the obstinate and arrogant attitude of the Dominion Government in refusing to make any reply or any explanation except to say, "This is none of your business."

Right Hon. Mr. MEIGHEN: Explanation of what?

Hon. Mr. LEWIS: Of what was going on.

Right Hon. Mr. MEIGHEN: What is the report but an explanation?

Hon. Mr. LEWIS: It is only partial.

Right Hon. Mr. MEIGHEN: It is a complete explanation.

Hon. Mr. LEWIS: It does not enter into the complaints of the convicts at all. Should they not be answered?

Hon. Mr. POPE: You are a joke.

Hon. Mr. LEWIS: What do you say about a joke?

Hon. Mr. POPE: Yes, you are a joke.

Hon. Mr. LEWIS: Well, you are a nuisance in the House.

Now I come to the criticism made by the leader of this House of my motion that guards should be men who have a zeal for prison reform, men whose business should be largely that of correcting and teaching. I made the remark, of course, that they should be men physically able to cope with prisoners, and I quite understand that they should be men having certain police training. The idea that a guard should have any thought of kindness or of teaching or correcting a prisoner was treated by the leader on the other side with the utmost derision. It does not seem to me to be so absurd to suppose that there are such things in the world as muscular Christians, or that kindness of heart should be compatible with strength of body and mind and will. But in the end I did not need to answer the right honourable gentleman. He answered himself. He gave a most touching account of a warden whom he knew particularly well, and of whom he said:

I know that many a man who has gone out from under his charge has blessed him for the influence he exercised.

Well, if you can give me an institution out of which men will come blessing the wardens and the guards for the influence they have exercised, I am sure I shall be quite satisfied. In my most idealistic moment I do not expect such a result as that.

Then the right honourable gentleman cast a great deal of derision upon my idea that in cases where corporal punishment was to be inflicted there should be an inquiry by an outside person, independent of the authorities of the institution. He seemed to think it a most amazing thing that a county judge should try such a case, with the warden on one side and the prisoner on the other, the two in a position of equality. What an amazing thing! Have any of you gentlemen

Hon. Mr. LEWIS

ever heard of such a thing? Go into any criminal court and you will find the prisoner at the bar on terms of perfect equality, in regard to procedure, with His Majesty the King—

Hon. Mr. McMEANS: Oh, yes.

Hon. Mr. LEWIS:—and having the same right to call witnesses, produce evidence, cross-examine witnesses, make objections, and charge the jury.

Hon. Mr. McMEANS: Oh, yes.

Hon. Mr. LEWIS: What is the difference?

Hon. Mr. McMEANS: He has always got that right.

Hon. Mr. LEWIS: That is what I say.

Hon. Mr. McMEANS: The prisoner has always got that right.

Hon. Mr. LEWIS: What is the difference?

Hon. Mr. GILLIS: A considerable difference. He has not been sentenced.

Hon. Mr. LEWIS: This is a new charge.

Hon. Mr. GORDON: You must love those convicts.

Hon. Mr. LEWIS: I do not love them. I am asking for justice.

Hon. Mr. GRIESBACH: Does not the honourable gentleman distinguish between a prisoner charged with an offence against the law and a prisoner who has violated a regulation of the institution in which he is confined? A prisoner who violates the law, even in a penitentiary, is tried by a judge—as some of these men are being tried now; but a prisoner who is guilty of a violation of the regulations of such an institution is in a very different position. Do I understand that the honourable gentleman is asking that a prisoner who violates the regulations of an institution should be tried by a judge?

Hon. Mr. LEWIS: In cases of extreme punishment, not bread and water, as suggested by the right honourable gentleman (Right Hon. Mr. Meighen). I do not include anything but the most extreme punishment.

Right Hon. Mr. MEIGHEN: Why should not a prisoner about to be hanged have a hearing before the county judge as to the height of the scaffold?

Hon. Mr. LEWIS: The right honourable gentleman is trying to be funny.

Right Hon. Mr. MEIGHEN: Not at all.

Hon. Mr. LEWIS: I do not profess to be able to answer vaudeville jokes.

Right Hon. Mr. MEIGHEN: You cannot answer yourself then.

Hon. Mr. LEWIS: The right honourable gentleman apparently thought I would writhe under the accusation that I was the mouthpiece of the convicts. Surely the right honourable gentleman has forgotten that some of the ornaments of his own profession—D'Alton McCarthy and B. B. Osler, for instance—have been the mouthpieces of murderers and persons accused of murder and other heinous crimes. Sir Charles Fitzpatrick, who was Minister of Justice of this country, and afterwards Chief Justice of the Supreme Court—and who, I am happy to believe, is still alive—was counsel or mouthpiece for Louis Riel, who was hanged for treason. A long time ago a famous advocate, Erskine, was counsel for Thomas Paine, on trial for sedition in connection with "The Rights of Man," a book in answer to Burke's "Reflections on the French Revolution." Erskine was very much reviled by the flunkies of that time for taking that position. He made this very memorable declaration, with which, I fancy, most lawyers agree:

I will forever, at all hazards, assert the dignity, independence and integrity of the English Bar, without which impartial justice—the most valuable part of the English constitution—can have no existence. From the moment that any advocate can be permitted to say that he will or will not stand between the Crown and the subject arraigned in the court where he daily sits to practise, from that moment the liberties of England are at an end. If the advocate refuses to defend, from what he may think of the charge or of the defence, he assumes the character of the judge; nay, he assumes it before the hour of judgment; and, in proportion to his rank and reputation, puts the heavy influence of, perhaps, a mistaken opinion into the scale against the accused, in whose favour the benevolent principle of English law makes all presumptions, and commands the very judge to be his counsel.

I am very deeply indebted to the leader of the Government for placing so unworthy a person as myself in such distinguished company.

Hon. Mr. GRIESBACH: Honourable gentlemen, I distinguish between the advocate of a known, visible murderer and the person who speaks for those who, so far as anyone knows, may have no corporeal existence at all.

Hon. Mr. LEWIS: There may be a slight difference; the principle is the same.

I have to thank the right honourable leader of the Government also for the advice which he so plentifully showered upon me, and I hope he will not take it ill if I present him in return with a little advice of my own, he

being a comparatively new acquisition to this Chamber, possibly not acquainted with its tone and temper, as his predecessors were. The advice I should like to give is that he should disabuse his mind of the idea that he is a sort of censor and schoolmaster of this assembly, entitled to dictate to us as to the course we are to follow or the sort of speeches we are to make. I should like him to realize, as his courteous and urbane predecessors did, that all the members of this assembly are essentially equal in status, though not in ability. At all events, I intend to take my own course and speak my own thoughts without asking the permission of the right honourable gentleman or anybody else.

Right Hon. ARTHUR MEIGHEN: Honourable members, when the honourable gentleman (Hon. Mr. Lewis) rose in support of this motion, some days ago, I made reply with some earnestness, and certainly with more emphasis than I ordinarily employ in this assembly or anywhere else. My reason was that I felt that in this country, for many months—yes, years—there has been an all too prevalent habit of rushing indiscriminately and thoughtlessly, in all matters, reasonable and unreasonable, to the side of the law-breakers and of those who, particularly in these times, are suffering oppression and distress; rushing to their side, to the discomfiture of those responsible for the maintenance of law and order, and thus making difficult, and ever more difficult, the preservation of those institutions upon which rests the liberty of this country, as of the world.

Hon. Mr. KING: I do not like to interrupt, but I understood a moment ago that the honourable the mover of the resolution (Hon. Mr. Lewis) was closing the debate.

Right Hon. Mr. MEIGHEN: There is an amendment.

Hon. Mr. KING: I thought that he waited for speakers to the amendment, and then proceeded on the understanding that there would be no further debate.

The Hon. the SPEAKER: The present discussion is on the amendment. When the amendment is disposed of, the honourable senator can close the debate on the main motion.

Right Hon. Mr. MEIGHEN: I felt that the honourable member had made himself a party to that habit, and that perhaps the time had come when one should speak up in the interest of what is surely dearer to us all than the achievement of a momentary personal satisfaction, or the attainment of a

certain kind of acclaim, which is easily acquired at this time from the multitudes in distress. I am confirmed in the conviction that I was right by the remarks made by the honourable gentleman to-day. He has had the benefit—and I am glad he has had it—of several days of reflection and preparation. This has resulted in at least a well-ordered and certainly well-expressed statement this afternoon, but not, I fear, in bringing his mind to a clearer or less confused state in regard to the real issue that he was attempting to discuss.

He has told us to-day that I derided the idea that guards should be men with a heart, men of humanitarian principles. I did nothing of the kind, and the honourable gentleman knows it. What the honourable gentleman argued was this: that guards might be secured who had in their minds the principles of the missionary, the principles of service—

Hon. Mr. LEWIS: Where is the difference?

Right Hon. Mr. MEIGHEN: There is a very great difference.

Hon. Mr. LEWIS: Where is it?

Right Hon. Mr. MEIGHEN: —or of a Salvation Army captain, or of a preacher or a teacher. No guard could be secured if his securing were to be governed by the considerations the honourable member has in mind. A guard is not a teacher. If teaching is to be done, teachers are provided to do it. The duty of a guard is essentially the duty of a disciplinarian or a policeman, and it is for that duty he is employed. The honourable member conducted his entire complaint on the principle that those in charge of our penitentiaries are really in the same relationship to the inmates as a teacher would be to the pupils of a Sunday school class; and his intention was to gather around the heads of the inmates a sort of public sympathy, and against the heads of those in authority a public contempt.

Hon. Mr. LEWIS: Not at all.

Right Hon. Mr. MEIGHEN: The honourable gentleman attacked the Government of the day and the authorities of the penitentiaries.

Hon. Mr. LEWIS: I did not.

Right Hon. Mr. MEIGHEN: And he attacked them this afternoon. The honourable member's memory is so frightfully short that he should not trust himself to speak. Less than half an hour ago he said that the Government had been stubborn.

Hon. Mr. LEWIS: The Government, yes. But I did not say the authorities.

Right Hon. Mr. MEIGHEN.

Right Hon. Mr. MEIGHEN: I think the Government are authorities. I am as utterly powerless to remove the confusion from the honourable member's mind as I am to prevent him from speaking when he is out of order. The practice has been altogether too prevalent, particularly in a section of the press—I am glad to say, in only a small section—of seeking to bring upon the heads of all who have the responsibility of maintaining law and order to-day the criticism and disapproval of the country at large, and to arouse public sympathy in favour of those who are violators of law and order. And I say again that as part of that campaign the honourable gentleman made his speech a couple of days ago and has sought to supplement it this afternoon.

There is no thought at all of removing humanitarian sentiments from the code of those who administer penal institutions, but there is a determination against making humanitarian sentiments and treatment the purpose of such institutions when their real purposes are discipline, punishment and warning to offenders throughout this Dominion. The honourable gentleman says there is nothing at all wrong about giving the prisoner a hearing before a county court judge when it is thought necessary at a penitentiary that the paddle, or any other kind of serious punishment, be administered. He says that the prisoner has just as much right to such a hearing as a man charged with a crime has to a proper trial. Well, there is this difference, that the man in the penitentiary has been convicted of a crime and has been sent there to be subject to the laws, regulations and discipline of the institution. That is the punishment to which he has been sentenced. If while serving his sentence he is to be given a right to appeal against it in the manner suggested by the honourable gentleman, where in the world is punishment to begin and where is it to end? To place on one side the warden, who is responsible for maintaining the code of regulations and discipline, and on the other side the man who is in his charge, and to ask a judge to decide between them, would mean only one thing—the complete, final and irretrievable overthrow of discipline in all our penal institutions. Such a thing would be impossible, and surely ought to be seen by intelligent men to be impossible.

The honourable member referred to the right of counsel to defend persons who appear before the courts, charged with the commission of crimes. It was not necessary for him to read the words of an English lawyer on that point. But he knows that his position is not comparable to that of a lawyer defending a prisoner in court. The honourable gentle-

man laid before us the complaints of some person whose identity is not known, who wrote an anonymous article concerning matters that he probably knew nothing about, and who may never have been a convict. As to the knowledge and experience of the writer the honourable member has not a tittle of evidence, yet he has broadcast the writer's complaints throughout this country and now he wants to occupy the heroic position of defender of the downtrodden and the abused. Does the honourable gentleman think he was justified in doing that when he did not know the author of the complaints?

Hon. Mr. LEWIS: Certainly.

Right Hon. Mr. MEIGHEN: Again a confusion of mind that no efforts of mine will ever be able to dispel.

Hon. Mr. POPE: He is a joke.

Right Hon. Mr. MEIGHEN: Conduct of that sort will not entitle him to occupy that position nor to bring ridicule upon the heads of men who have posts of great responsibility and are entitled to our support.

The honourable gentleman tries to leave the inference that there has been official stubbornness, and information has been refused, and that that is why he is attacking the Government. He suggests that if the authorities would but give information he would be thoroughly satisfied, yet only two days ago he stood up in this House and admitted he had never taken the trouble to get information that he could have got had he so desired. The regulations of the penitentiaries have always been available to him and every other citizen; there is no secrecy about them. And the penitentiaries themselves have been open to him for inspection ever since he has been a member of this House. So his complaint of inability to get information is utterly unjustified.

He asks me not to assume the role of dictator. Honourable gentlemen can imagine how I writhe under the implication. The idea of any man venturing to think himself a dictator in the presence of his equals and before an honourable assembly of Parliament! But I hope that my unwillingness to pretend to be, and my incapacity to act as, a dictator, will never prevent me from stating my own views, even though they conflict violently and diametrically with those of an honourable member, nor from seeking to describe in justifiable words conduct that is incompatible with the best interests of law and order, especially in a time of crisis such as this.

The amendment of Hon. Mr. Tanner was agreed to.

The motion, as amended, was agreed to.

MIGRATORY BIRDS CONVENTION BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 19, an Act to amend the Migratory Birds Convention Act.

He said: Honourable senators, the Migratory Birds Convention Act was passed in 1917 to ratify a convention entered into by this country with the United States for the protection of migratory birds. One term of the ratifying statute was to the effect that the regulations thereunder should be published in the Statutes. This publication is now deemed to be too expensive and to involve more delay than its value would justify. Publication of the regulations is made not only in the Canada Gazette, but also by posters displayed in our post offices and other public places and by general distribution on the part of the Department of the Interior. I do not think that the publicity given to the regulations would be very much increased by their inclusion among the Statutes.

The Bill also makes all members of the Royal Canadian Mounted Police ex officio game officers. It appears that the Maritime Provinces never took upon themselves the onus of enforcing the Act, although, I believe, the other provinces did. To overcome this omission and at the same time to save some expense, the police work in connection with the enforcement of the Act was transferred in 1932 to the Royal Canadian Mounted Police, which, as every honourable member knows, operates also in those provinces. If the members of that force were not made ex officio game officers, as they are by this Bill, the members would have to be appointed to office individually, and each one of them would have to take the oath of office. The third section of the Bill makes the oath taken by a mounted policeman when he joins the force applicable to his duties as such game officer.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

DIVORCE BILLS

SECOND READINGS

On motion of Hon. Mr. McMeans, Chairman of the Committee on Divorce, the following Bills were read the second time:

Bill C, an Act for the relief of Margaret Borham Willson.

Bill D, an Act for the relief of Clarence Eldon Durham.

Bill E, an Act for the relief of Maurice Pashlink Simon, otherwise known as Maurice Simon Pashlinski.

Bill F, an Act for the relief of Marjorie Elizabeth Rae Dixon.

Bill G, an Act for the relief of Joseph Adrien Desmarteau.

Bill H, an Act for the relief of Henry Norman Bethune.

The Senate adjourned until Tuesday next at 8 p.m.

THE SENATE

Tuesday, February 21, 1933.

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

Prayers and routine proceedings.

CANADIAN NATIONAL-CANADIAN PACIFIC BILL

REPORT OF STANDING COMMITTEE

Right Hon. Mr. GRAHAM presented the report of the Standing Committee of Railways, Telegraphs and Harbours on Bill A, an Act respecting the Canadian National Railways and to provide for co-operation with the Canadian Pacific Railway System, and for other purposes.

He said: Honourable members, I consider that my duties as chairman of the committee are now concluded, and I shall hand over this Bill and leave its fate to the right honourable leader of the Government, to whom the Bill belongs.

Right Hon. Mr. MEIGHEN: With the leave of the House, I would move that the report of the committee, with the proposed amendments to the Bill, be taken into consideration now.

The motion was agreed to.

PROPOSED AMENDMENTS CONSIDERED IN COMMITTEE

On motion of Right Hon. Mr. Meighen, the Senate went into Committee on the proposed amendments.

Hon. Mr. Beaubien in the Chair.

Hon. Mr. MURDOCK: Honourable senators, I should like to send across the House to the right honourable leader of the Government a copy of a memorandum, and then, for the purpose of securing its consideration, read the memorandum to the House.

Right Hon. Mr. MEIGHEN.

Having regard to the extraordinary scope contemplated in section 2 of Bill A, which sets forth that "The provisions of this Act shall bind His Majesty and shall prevail over all inconsistent provisions of all other Acts," save as set out in paragraphs a, b and c thereof; and in view of the statutory duties imposed upon the railway companies under section 16 to co-operate "for the purposes of effecting economies and providing for more remunerative operation," etc., a large portion of the public in general, and the railway employees in particular, desire to be informed as to the following:

1. Does the Canadian National-Canadian Pacific Act, 1932, supersede and prevail over the Industrial Disputes Investigation Act, 1907, being Chapter 112 of the Revised Statutes of Canada, 1927, and amendments thereto?

2. Does the Canadian National-Canadian Pacific Act, 1932, supersede and prevail over the Railway Act and in particular the following provisions:

(a) Sections 32 to 44, inclusive, which relate to the general jurisdiction and powers of the Board?

(b) Section 179, which relates to the closing or abandonment of railway stations or divisional points and/or other unauthorized changes, without leave of the Board? Example: In the event of the National Company and Pacific Company, in the interest of economy, agreeing to close or abandon a divisional point without recourse to the Arbitral Tribunal, would it be necessary for them to get permission from the Board of Railway Commissioners before doing so, or would Bill A govern?

(c) Sections 215 to 243, inclusive, relating to expropriation proceedings?

(d) Section 244, relating to the payment of the current rate of wages to workmen engaged in the construction of any railway to which the Parliament of Canada votes financial aid by way of subsidy or guarantee towards the cost of railway construction?

(e) Section 250, relating to specified standards for headway between the highest freight car and any bridge, tunnel or other erection or structure, over, through or under which any railway passes and the specified standard space between rail level and such erection or structure?

(f) Sections 278 to 284, inclusive, relating to the safety and care of roadway?

(g) Sections 285 and 286, relating to notice of accidents to the Board?

(h) Sections 287 to 311, inclusive, relating generally to operation and equipment and particularly to orders and regulations of the

Board; by-laws, rules and regulations of company; equipment of cars and locomotives; running of trains; precautions at swing bridges; precautions at railway crossings; precautions at highway crossings and in thickly peopled places; the obstruction of highway traffic; and the payment of salaries or wages?

I realize, honourable members, that this is a rather large order. I do not expect the right honourable leader of the House, after looking at these questions, to answer them off-hand, but I am submitting them in this way so that he may have an opportunity to consider them and may answer them later, possibly at the next sitting of the House.

Right Hon. Mr. MEIGHEN: Honourable members, the order is indeed large. The thought occurred to me, as the questions were being read, that it would have been more appropriate to place them before me when the Bill was in committee. However, it is certainly my desire to answer them as best I can. Speaking off-hand, I should feel fairly confident in answering them one by one now, but perhaps my self-confidence might be misplaced and it might indicate better judgment to give the subject thought until to-morrow. Consequently, the desire of the Government will be, not to move that the Committee report the Bill to-night, but rather to have the Committee report progress, and to-morrow I shall endeavour to give the best answers that I can. We can proceed with the Bill now.

On proposed section 2—inconsistent provisions:

Right Hon. Mr. MEIGHEN: Members of the committee will recall that although the Bill was to be reported, the statement was made on behalf of the sponsor of the measure that an endeavour would be made to meet the desire of counsel for the Canadian Pacific Railway in respect of definitions. There was some difference between counsel for that company and the Railway Department and myself as to how "National Company" and particularly "Pacific Company" should be defined. A new definition has been arrived at, and it is such that it entails an amendment to clause 2, although the definitions themselves are not in that clause. I now beg to move:

That the following be added as subsection 2 to section 2:

(2) Parts II and III of this Act shall not apply to (a) any manufacturing, land, mining or ocean marine company, undertaking, property, work or service;

(b) any transportation, communication or hotel service which is within another legislative competence than that of Canada or a province

of Canada or which, as between National Railways and Pacific Railways, is not competitive.

The CHAIRMAN: Shall the amendment be adopted?

Right Hon. Mr. GRAHAM: I understand that it is not the intention to proceed very far with the Bill to-night; that the chief object is to get these amendments on record so that they will be in our hands to-morrow when we are considering the measure in its entirety.

Right Hon. Mr. MEIGHEN: I think that suggestion is good. I will now move that we proceed to the next amendment, without asking that the amendment I moved be carried.

The proposed amendment stands.

On proposed section 3, paragraph e—"National Railways":

Right Hon. Mr. MEIGHEN: I beg to move that paragraph e of clause 3, that is, the definition of "National Railways," be deleted and the following be substituted therefor:

(e) "National Railways" means the National Company, as owner, operator, manager and otherwise, and its transportation, communication and hotel system, which system shall be deemed to comprise all companies which are elements of the Canadian National Railways as defined in the National Act, the respective undertakings of such companies, the National Company in its capacity as owner, manager or operator, in whole or in part, of any railways, including Canadian Government railways, or of any land, water or air transportation or communication services or hotel services, and the said railways and services, their works and property, and all such works and property as are ancillary.

Right Hon. Mr. MEIGHEN: I move that we proceed to the consideration of the next amendment.

The proposed amendment stands.

On proposed section 3, paragraph g—"Pacific Railways":

Right Hon. Mr. MEIGHEN: I move:

That paragraph g of clause 3 be deleted and the following substituted therefor:

(g) "Pacific Railways" means the Pacific Company as owner, operator, manager and otherwise and all other companies which are elements of the Pacific Company's transportation, communication and hotel system, which system shall be deemed to include railway, express, automobile, aeroplane, inland and coastal steamship, telegraph, cable, radio and hotel companies, and, limited as hereunder and not otherwise than as so limited, the respective undertakings of the Pacific Company and of such other companies, but such undertakings shall be deemed not to include or to relate to manufacturing, mining, dealing in land, operating any ocean marine service or the like or anything ancillary.

Hon. Mr. LYNCH-STANTON: Is that agreeable to the C.P.R.?

Right Hon. Mr. MEIGHEN: It is the result of an attempt to bring the minds of the two parties together, and, if not exactly in unison, they are very close.

The proposed amendment stands.

On proposed section 4, subsection 2—Chairman; to devote all his time:

Right Hon. Mr. MEIGHEN: I move:

That at the end of subsection 2 of section 4 the words "the National Company or a company within the undertaking" be deleted and the following words substituted therefor: "a company which is comprised in National Railways."

This complies with the definition.

The proposed amendment stands.

On proposed section 17, subsection 4—limitations upon jurisdiction:

Right Hon. Mr. MEIGHEN: I move:

That subsection 4 of section 17 be deleted and the following substituted therefor:

(4) No Tribunal shall have power or jurisdiction to settle, determine or order that any measure, plan or arrangement should or shall consist of or include any agreement for the construction of extensions and additions to existing railway lines, terminals or facilities except in such minor matters as connections to give access to existing lines, terminals or facilities which, as the result of the settlement or determination of any dispute by any Tribunal or otherwise, are used or are intended to be used in common.

This amendment does not vary at all the manifest intent of the measure, but it makes the wording of the restriction on the power of a Tribunal comply with the better language later adopted by the committee in various clauses.

Hon. Mr. MURDOCK: This particular subsection has to do with limitations upon jurisdiction. If on further consideration the right honourable leader should find that the Bill affects some of the provisions in the Railway Act or in other Acts relating to safety, social or humane regulations, as set out in the list that I have just read to the Committee and handed to him, I would suggest that the jurisdiction of the Tribunal might be limited right here in language somewhat like this:

Nor shall any Tribunal have the right to set aside or abridge any Act which as a safety, social or humane measure protects the rights of the public or of the employees.

This is the only clause in the Bill where limitations upon jurisdiction are indicated, and it seems to me that this would be the

Right Hon. Mr. MEIGHEN.

proper place to guard against the taking away of the authority of the Railway Commission in relation to those rights to which I have referred.

Right Hon. Mr. MEIGHEN: This would be the proper place, and if on consideration of the questions asked it appears to be the part of wisdom to add any further restriction, I am not at all averse to an amendment along the lines suggested. Indeed I will try to draft one myself.

The proposed amendment of Right Hon. Mr. Meighen stands.

On proposed section 18, subsection 5—Tribunal may be reconvened:

Right Hon. Mr. MEIGHEN: This is the last amendment. I move:

That subsection 5 of section 18 be deleted and the following substituted therefor:

(5) The Chief Commissioner may of his own motion or at the request of the National Company or the Pacific Company or both, reconvene any Tribunal to settle or determine any dispute which relates to the conditions, interpretation or enforcement of any order made by that particular Tribunal, or to enforce the jurisdiction of, or any order of, such Tribunal pursuant to section twenty-two of this Act, and such reconvened Tribunal shall have power and jurisdiction to settle or determine in the premises.

Again let me say that this makes absolutely no variation from the manifest intent; it is merely considered to be a better wording. This closes the amendments that I have to offer.

The proposed amendment stands.

The CHAIRMAN: Shall the Committee rise, report progress, and ask leave to sit again?

Hon. R. H. POPE: Honourable gentlemen, I desire to express my opinion with regard to the Bill which is now before us for consideration, and which is based upon the Report of the Royal Commission appointed to inquire into Railways and Transportation in Canada.

First, permit me to say that there is no such thing as friendly competition existing between the Canadian National Railways and the Canadian Pacific Railway. Each organization is out for itself, and ever will be.

Second, in my opinion we had no right to include the Canadian Pacific Railway, a privately owned road, within the scope of the inquiry assigned to the Royal Commission. So far as the settlement of freight rates and all that sort of thing is concerned, we have the Board of Railway Commissioners, which is still functioning. I think that in the

opinion of every member of the Senate I am right when I say that in the financial obligations connected with the operation of the Canadian National Railways alone we have a quite sufficient burden. When I pick up this report and see the figure of \$2,536,-665.89, I think that is enough, and we should not proceed, as we have done in the past, to increase the indebtedness of Canada and impose upon the taxpayers of the country a still heavier burden. Someone has spoken of "the ten million taxpayers of Canada." Are there ten million taxpayers in this country? I doubt very much that there are three million.

I have listened to honourable gentlemen in this House criticizing the use of trucks, automobiles and flying machines. Permit me to say that we are not going to do away with trucks, or automobiles, or flying machines, and that the railroads of the future will have to meet the competition of the future in all its various forms. As competition is today, so will it continue to be in the future; perhaps in some directions it will be intensified.

So far as trucks are concerned, I know of nothing more serviceable to the rural parts of the country. They deliver the farmer's goods right at his door, at no expense beyond the ordinary freight charges. He does not have to go to the railway station to get his goods, nor does he have to pay someone else to bring them to him. I live in a section of the country in which, as I said the other day, not a railroad has been constructed in sixty years. For miles on each side of the existing railroad there are the wonderful lands and the forests and mountains of the Eastern Townships. Many of the villages in that region are twenty or twenty-five miles away from the railroad. Are we to be told that we are not to have trucks? It has been said that unless the roads have a hard surface the trucks tear them to pieces. Our roads are all gravel roads, and I shall be pleased to take any of you over them—on condition that you remain perfectly sober—and if you do not say afterwards, "Mr. Pope, we have never ridden over better roads in our lives," I shall be greatly disappointed. Think of the amount of money that is paid by the trucks in gasoline taxes, of the sums spent on their maintenance and repair in the garages of the country, and of the employment that is thereby afforded to many who otherwise might be unemployed.

In my humble opinion we should all unite in an effort to discover some way of lightening, so far as possible, the burden imposed upon the taxpayers of Canada by reason of the loss sustained in the operation of the

Canadian National System. Let me say that I do not wish to find fault with the present management, nor to criticize the past so far as management is concerned. Criticism does not pay the bills nor lighten the national burden. We have to give serious thought to the adoption of some system, or some improvement in the present system, whereby our burden will be lightened. We cannot expect to be entirely relieved of the present situation at one stroke; but any proposal that will result in cutting the burden in two at a comparatively early date should receive serious and immediate consideration.

Up to the present time the only railway that has been able to pay its way in every respect has been the Canadian Pacific, which is co-operatively owned. It would appear, however, that during the period of prosperity that road went a bit wild in the building of lines here, there and everywhere, in competition with the Canadian National. Many of those lines could be taken up, or merged into those of one or other of the companies of the future.

The suggestion has been made that the entire Canadian National System should be given to the C.P.R. I do not know that the C.P.R. wants that. Nevertheless, some newspapers and some people have been making the suggestion. I do not know whether it was made before the committee of the Senate or not. I was not present at many of the sittings. It took so long to say very little that I got out. Time spent in talk is wasted when nothing results.

Let us review the history of our railroads and see how it comes about that we have the Canadian National Railways on our hands. We had at first only one transcontinental railway, namely the Canadian Pacific, which had a connection with Halifax over the Intercolonial. The Conservative Party, when in power, encouraged the construction of the Canadian Pacific Railway in spite of Liberal opposition. The word "monopoly" was applied to the railway company, especially in the Western Provinces, and became the political war-cry of the Liberals.

When, in 1896, the Liberal Party came into power, there were, apart from this transcontinental railway, local lines scattered here and there in different parts of the country. Among the most important of these was the Intercolonial, which at that time was running from the Maritime Provinces to Montreal. It was part and parcel of the Confederation pact, and was to provide a means of transporting goods from the Maritime Provinces to the centre of Canada at the lowest rates. I stand here to-day to contend that that railroad should be operated by a commission, or by the Gov-

ernment, for the purpose of developing the Maritimes. I do not wish to flatter anybody, but I know of no part of Canada that has given to Parliament and to the public and professional life of this country more men worthy to maintain the standard of Canadian citizenship than have the Maritime Provinces. The old Grand Trunk, with its American connections, was managed by a directorate in London, and for years we got about as much out of it as we gained from the Canadian National when for eight or nine years it was under the management of a Liberal Cabinet. The results in both cases were the same—loss, wrack and ruin. Then we come to Mackenzie & Mann, who had sought assistance in Manitoba and the West, as well as some other places, in order to build a transcontinental railway. The Liberal Party, with Sir Wilfrid Laurier at its head, was in power, and the Grand Trunk, which found itself sinking financially, and perishing, rapped at the door of Parliament and asked the Government to provide it with connections across Canada to the Pacific. Someone said, "Go and make your arrangements with the Canadian Northern and we will help you with the links." But that was not done.

Then politics entered into the question, and there were demands for a railroad from Winnipeg to the city of Quebec. The people of the Maritimes said, "Give us a line to Moncton." That line was no more part and parcel of a transcontinental system of transportation than the little rivers in the valley in which I live are part of the St. Lawrence. But that line had to be built: the Maritimes demanded it in return for their support of Quebec. On the train on one occasion, when returning after a holiday on the 1st of July, I met some members from the Maritimes. They rushed up to me and said, "You must support us." "What am I to support?" "Why, you are going to support a line from Quebec to Moncton." I said: "Am I? I thought you had the Intercolonial." They said, "Oh, well, this is a transcontinental road, and our people down there must have it as well as your people in Quebec and the people in other places." I said: "Why don't you connect at St. John? That is a shorter route, and it provides communication with a seaport anyway. Gentlemen, I cannot agree with you."

Politics entered into the building of all such roads, and they had to be built, and I no more regard them as part and parcel of the transportation system of Canada than I do the Hudson Bay railroad. Therefore I do not take them into consideration in the proposal that I am about to make.

Hon. Mr. POPE.

But our railroads will have to be run somehow, and I would not be standing here to-night if I did not know that men and money could be found for the purpose of taking over a large portion of the railways and having them operated for the benefit of Canada by an independent corporation like the Canadian Pacific.

There never was a period in the history of the world when big money was so idle as it is to-day. Do you not think that in the United States there are men who, with all the troubles and anxieties they have had, would be delighted to put a few millions into a well organized transportation system in this country? There is no question or doubt about it. You can go to England too, or to Montreal, and find money for this purpose. I have had this proposal worked out by financial men of ability. I am not at liberty to use their names here. The only stipulation they make is that the Government of the day should approach them. They feel, because of the uncertainty in China, let us say, that they cannot engage in this undertaking if there is danger that in two weeks' time a world war would make it impossible for them to carry it out. But if the Government of the day will approach them, it will be approaching responsible people, capable of doing what I have suggested, and if such a proposal were carried out, a load of one hundred million dollars would be lifted off the necks of the people of Canada. Is such a proposal not worthy of a trial?

Is it not worth just as much as the Bill that is now before us, and that I am asked to support? The Government—I care not whether it is Liberal or Conservative—is the only authority that can approach these people. If they are approached, and there is no world catastrophe to ruin the credit of everybody, there will be a second transcontinental line at the disposal of the people of Canada. Odd lines here and there that have been built too close together will be taken up. I know of no reason why we should not favour such a proposal. I do not desire to make a motion, but I think the statement should go out through the public press that there are financial men of character and worth who are ready, if the Government will approach them, to take into serious consideration the creation of a separate and distinct line of railway from Montreal to the Pacific coast.

I do not blame the Transportation Commission for what it has done; I do not blame the committee of the Senate for spending nearly a month in trying to thresh out something that would not thresh. Even the chairman has my sympathy—and he has no right to it.

Right Hon. Mr. GRAHAM: I always have.

Hon. Mr. POPE: I am speaking with the certain knowledge that responsible men in a large way of business, fully realizing that their businesses will go down unless the tremendous load of taxation and railway deficits is lifted, are ready to do anything they can to reduce that burden.

I thank you, honourable members, for the attention that you have paid to my remarks.

Progress was reported.

CANADIAN AND BRITISH INSURANCE COMPANIES BILL

SECOND READING

Hon. Mr. BEAUBIEN moved the second reading of Bill B, an Act to amend an Act respecting Canadian and British Insurance Companies.

He said: Honourable members, I presume that I should say a few words in explanation of this Bill in order to justify its adoption. The insurance companies are limited as to the securities in which they may invest. Section 63 of the Canadian and British Insurance Companies Act provides:

Save as hereinafter provided, any company registered under this Act may invest its funds, or any portion thereof, in the purchase of

(a) the debentures, bonds, stocks or other securities of or guaranteed by the Government of the Dominion of Canada or of or guaranteed by the Government of any province of Canada; or of or guaranteed by the Government of the United Kingdom of Great Britain and Northern Ireland, or of any Dominion, colony or dependency thereof; or of or guaranteed by the Government of any foreign country, or state forming a portion of such foreign country; or of any municipal or school corporation in Canada, or elsewhere where the company is carrying on business; or guaranteed by any municipal corporation in Canada; or secured by rates or taxes, levied under the authority of the Government of any province of Canada on property situate in such province and collectible by the municipalities in which such property is situate; or

(b) (i) the bonds of any corporation which bonds are fully secured by a mortgage or hypothec to a trustee upon real estate or upon the plant and equipment of such corporation used in the transaction of its business; or upon bonds, debentures or other evidences of indebtedness or stocks owned by such corporation of a class or classes authorized by this section as investments of any company, and the inclusion as additional security in such mortgage or hypothec of any other assets not of a class authorized by this Act as investments of any company shall not be deemed to render ineligible such bonds as an investment, or

(ii) the debentures or other evidences of indebtedness of any corporation which has paid regular dividends on its preferred or on its common stocks for a term of at least five years immediately preceding the date of investment in such debentures or other evidences of indebtedness.

It is not necessary for me to refer to preferred and common stocks, for under certain limitations both are eligible.

For some years there have been on the market a class of securities which are undoubtedly safe and sound as investments for insurance companies, but which do not come within the statutory terms that I have just read. I refer to the securities that have been issued by charitable, educational and philanthropic institutions in Quebec, and perhaps in some other provinces. When, in 1924, a number of such institutions in Quebec required large sums of money to enable them to carry on and extend their good work, the Provincial Government enlarged what is commonly known as the "Public Charities Fund," out of which the Legislature authorized the payment of interest and sinking fund charges on bonds and debentures of these institutions. This fund gets its income from taxes on expensive meals and theatre and race-course tickets, and a generous contribution is made to it by the Quebec Liquor Commission.

Practically all our well-known philanthropic and charitable institutions in the Province of Quebec have raised necessary sums through the issue of this class of securities. This method was resorted to when, for instance, the Notre Dame Hospital in Montreal required a new wing, at which time the Government of the province pledged itself to pay out of the fund an amount necessary to meet the amortisation and interest charges on the securities issued. Among other institutions that have been similarly aided through this fund I might mention: Hopital des Convalescentes, Hopital Sainte Justine, Institut des Aveugles de Nazareth, Montreal Children's Hospital, Royal Victoria Hospital, Montreal Convalescent Home, Montreal General Hospital and Saint Mary's Hospital, all in Montreal; Hotel Dieu in Arthabaska, and Sherbrooke Hospital. The securities which the Quebec Government has so far undertaken to pay aggregate about \$15,000,000 in principal and interest. The institutions that are being aided in this way are performing an indispensable service, and the government subsidies have become essential.

Insurance companies readily invested in the bonds and debentures of such institutions, but later found they were not strictly within the law in doing so, and, although they desire to hold on to these investments, they will be forced to throw them on the market unless the law is changed. The purpose of the Bill is simply to legalize the investment of insurance funds in such securities, which are generally admitted to be safe and sound.

The principle of the measure has been fully approved by Mr. Finlayson, and the Bill is of course endorsed by the companies which hold these securities and wish to acquire more of them. The people who contribute freely to the support of the institutions are also hopeful that the law will be changed, and so is the Government of Quebec; and obviously the change would be to the advantage of the institutions themselves, for it would give them a wider market for their securities. Above all, those who require and receive help from the institutions—and at present they form a large percentage of our population—will be greatly benefited by the passage of this measure.

Right Hon. Mr. MEIGHEN: Honourable members, the Bill has been very clearly explained by the mover of the motion (Hon. Mr. Beaubien), but as it affects a Government-sponsored measure which was initiated in this House last session and was given very careful thought by our Committee on Banking and Commerce, perhaps I should say a few words before the motion is put. The honourable gentleman has made it very plain that the intent of the Insurance Act is to authorize the Superintendent of Insurance to permit insurance companies, whose liabilities fall due at far distant dates, to invest their funds only in securities of a very high character, which will make for the solvency of the companies and the safeguarding of their policyholders. Included in such securities are Government-issued and Government-guaranteed bonds and certain municipal bonds. The provisions, however, are not wide enough to include the securities referred to in the Bill, namely bonds and debentures issued by certain charitable, educational and philanthropic institutions in the Province of Quebec, which, though not directly guaranteed by the Government of that province, have provision made for their redemption, both as to principal and interest, by the annual allotment of certain funds. This Bill will make such securities eligible for insurance companies; not eligible in the absolute sense alone, but eligible in the classification which the insurance companies make up for presentation to the public to show the assets that are set against their liabilities.

I certainly have no objection at all to the second reading of the Bill, and am glad the honourable gentleman has brought it in. I think it will be necessary, though, for the House to consider this session certain further amendments to at least one and possibly two of the Insurance Acts that were passed last year. It would seem to me that after the Bill does go to committee it might remain there until

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the other Bill also gets there; or possibly we may be able to arrange that if we pass this measure here it may be incorporated in any other which the Government submits by way of amendment to the Acts passed last session.

Right Hon. G. P. GRAHAM: Honourable members, I have no objection to the second reading of the Bill, provided it is going to the Committee on Banking and Commerce. Legislation by the Federal Parliament on insurance matters has to be considered very carefully, and even then, perhaps it will not be altogether water-tight. Insurance companies are now having experiences that might almost indicate Parliament had not been careful enough in restricting the classes of securities in which these companies may legally invest. However, if the Bill is going to the Committee on Banking and Commerce, this and other matters can be discussed there, and I think that perhaps good may come out of the measure.

Hon. Mr. BEAUBIEN: Honourable members, I think that the Bill should go to the Committee on Banking and Commerce, for, no doubt, there will be a number of people who will want to express their views and perhaps suggest amendments. Possibly Mr. Finlayson would like to make some suggestions. Therefore I intend to move that the Bill be referred to that Committee.

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

REFERRED TO COMMITTEE

On motion of Hon. Mr. Beaubien, the Bill was referred to the Standing Committee on Banking and Commerce.

DIVORCE BILLS

THIRD READINGS

On motion of Hon. Mr. McMeans, Chairman of the Committee on Divorce, the following Bills were read the third time, and passed:

Bill C, an Act for the relief of Margaret Borham Willson.

Bill D, an Act for the relief of Clarence Eldon Durham.

Bill E, an Act for the relief of Maurice Pashlink Simon, otherwise known as Maurice Simon Pashlinski.

Bill F, an Act for the relief of Marjorie Elizabeth Rae Dixon.

Bill G, an Act for the relief of Joseph Adrien Desmarteau.

Bill H, an Act for the relief of Henry Norman Bethune.

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

THE SENATE

Wednesday, February 22, 1933.

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

Prayers and routine proceedings.

CANADIAN NATIONAL-CANADIAN PACIFIC BILL

PROPOSED AMENDMENTS CONSIDERED IN COMMITTEE AND REPORTED

The Senate again went into Committee on the proposed amendments to Bill A, an Act respecting the Canadian National Railways and to provide for co-operation with the Canadian Pacific Railway System, and for other purposes.—Right Hon. Mr. Meighen.

Hon. Mr. Beaubien in the Chair.

On proposed section 2—His Majesty bound; inconsistent provisions:

Right Hon. Mr. MEIGHEN: I think, Mr. Chairman, you would be justified in assuming each amendment as proposed by the Standing Committee to be moved by myself. Then as to the additional amendments, of which I gave notice yesterday, I shall move each one in turn as we reach the section to which it relates.

I move:

That the following be added as subsection 2 to section 2:

(2) Parts II and III of this Act shall not apply to (a) any manufacturing, land, mining or ocean marine company, undertaking, property, work or service;

(b) any transportation, communication or hotel service which is within another legislative competence than that of Canada or a province of Canada or which, as between National Railways and Pacific Railways, is not competitive.

The CHAIRMAN: Shall the section as amended carry?

Hon. Mr. MURDOCK: Might I have an answer to the memorandum which I handed to the right honourable leader of the House yesterday?

Right Hon. Mr. MEIGHEN: Possibly I should have ventured an answer at the opening of the Committee. The honourable senator inquired whether by reason of the general clause providing that this Act shall be held to prevail in case of inconsistency therewith of any provisions of any previous Act, certain provisions recited in his questions are thereby annulled or in any way interfered with. The House will agree with me when I make this general statement: it is the practice

of the courts and a principle of British jurisprudence that all statutes must, to the utmost extent possible, be made reconcilable the one with the other. That is to say, if a statute can be given either a reasonable interpretation which makes it reconcilable with another statute, or an interpretation equally reasonable, but not reconcilable with the other statute, then the first interpretation is held to prevail. In a word, the courts seek to give such interpretations as will produce no inconsistencies. Another principle is that where this is found to be impossible and a clause of a statute passed, say, this year can be given no reasonable interpretation which would make it consistent with a clause in a statute passed in a previous year, then the later word of Parliament prevails over the earlier word.

In this Bill the doctrine which I have sought to define is not only relied upon, but it is emphasized by a special provision, which says that where there is inconsistency this Act shall prevail. Had the special clause not been included, the effect would have been, in my judgment, exactly the same, because of the principle that I have stated.

At this point I desire to emphasize that the insertion of this special provision—which is merely a re-statement of an already recognized principle—will by no means entail this result, that the courts will not seek to reconcile any inconsistency just as earnestly as if this clause were not here. If the reconciliation can be made by a reasonable interpretation, they will give that interpretation.

So much by way of introduction. Perhaps it is well also to say that provisions are not inconsistent merely because they seem to express a different result, having in mind different objectives. One may be dealing with one purpose, another with another purpose, and in that event, in all likelihood, the courts will hold there is no inconsistency at all.

In the light of what I have said, perhaps the answer which I shall give to all the questions will be understandable. The answer to each and all is no, save that something further, or perhaps something slightly different, is required, because to one of the questions that answer is not strictly applicable. The one to which it is not strictly applicable is paragraph b of 2. Question 2 asks:

Does the Canadian National-Canadian Pacific Act, 1932, supersede and prevail over the Railway Act and in particular the following provisions:

(a) Sections 32 to 44, inclusive, which relate to the general jurisdiction and powers of the Board?

The answer no applies to that part of the question, but as to the next question—

(b) Section 179, which relates to the closing or abandonment of railway stations or divisional points and/or other unauthorized changes, without leave of the Board? Example: In the event of the National Company and Pacific Company, in the interest of economy, agreeing to close or abandon a divisional point without recourse to the Arbitral Tribunal, would it be necessary for them to get permission from the Board of Railway Commissioners before doing so, or would Bill A govern?

—the proper answer would be this: Should they agree to certain plans, arrangements, or measures involving what is here recited, without having recourse to the tribunal at all, then, if before the passing of this Bill it would have been necessary for them, in order to have effect given to their agreement, to go to the Board of Railway Commissioners, it will still be necessary for them to do so. They are not relieved in any way. I do not need to answer as to what the result would be if they did go before the Arbitral Tribunal in case of a dispute, because the Bill itself is specific on that point. The dispute goes before the tribunal, the Chairman of which is the Chairman of the Board of Railway Commissioners, and his approval is in effect the approval of the Board of Railway Commissioners, and becomes so by virtue of this Act. So the concise answer in both cases is that where approval was necessary before, it is necessary still.

Hon. Mr. MURDOCK: May I ask a further question? The right honourable gentleman says no to all this. Would he deal with the first question, for instance, as to the Industrial Disputes Investigation Act? The whole purpose of Bill A is economy in the operation of the railways; economy by agreement, if possible, between the representatives of both railways, without their going to the Arbitral Tribunal. Now, if the operating officers of those two railways agree that as of a certain date the wage rate of all employees shall be fifty per cent less than now, will that agreement entirely obviate the necessity of going through the ordinary procedure under the Industrial Disputes Investigation Act?

Right Hon. Mr. MEIGHEN: Not at all. Most emphatically, no.

Hon. Mr. MURDOCK: All right.

The CHAIRMAN: As the Standing Committee's report recommends many amendments, it would perhaps be preferable to proceed section by section. Shall the amended section 2, with the further amendment proposed by the right honourable leader of the House, be agreed to? The proposed addition to section 2 reads as follows:

Right Hon. Mr. MEIGHEN.

(2) Parts II and III of this Act shall not apply to

(a) any manufacturing, land, mining or ocean marine company, undertaking, property, work or service;

(b) any transportation, communication or hotel service which is within another legislative competence than that of Canada or a province of Canada or which, as between National Railways and Pacific Railways, is not competitive.

Shall this new section, as amended, carry?

Hon. Mr. MURDOCK: May I crave the indulgence of the House to ask the right honourable leader of the Government another question? Paragraph a, put in by the Railway Committee of the Senate, provides that that part of section 179 of the Railway Act which relates to the closing or abandonment of railway stations or divisional points remains in effect. But there is another part of section 179 involved, and that is the securing of the consent of the Railway Commission before a terminal or divisional point or station is closed. I think the right honourable leader referred to that a moment ago, but I should like him, if he would, to do so again. My understanding of the situation is this, that if the railways of their own motion undertake to close or abandon a divisional point or station, they have to secure the consent of the Railway Commission, but if they disagree, and the matter goes to the Arbitral Tribunal, then the Chairman of the Railway Commission decides one way or the other. Is this interpretation correct?

Right Hon. Mr. MEIGHEN: What I said was this. In the first case, if before the Bill passed they had to go before the Railway Board, they still will have to do so. In the second case, where the tribunal comes in, the decision of the tribunal becomes the decision of the board.

Hon. Mr. MURDOCK: And would carry with it the intent of section 179 of the Railway Act, and secure compensation to the employees for property loss?

Right Hon. Mr. MEIGHEN: I do not say what the decision would be, but the rights of the employees under that would be just the same as before.

Hon. Mr. MURDOCK: All right.

Proposed section 2, as amended, was agreed to.

On proposed section 3—definitions:

Paragraph a was agreed to.

On paragraph b—dispute:

Hon. Mr. McRAE: Could the right honourable gentleman give us a little more infor-

mation with respect to this proposed arrangement? Line eight of the Bill, as reprinted, says:

—and includes their failure to agree concerning any measure, plan or arrangement proposed.

Does that mean proposed by either company? If so, would it not be made clearer by the addition of the words "by either company"?

Right Hon. Mr. MEIGHEN: Either company, by taking the steps provided in the Act, can bring the matter before the tribunal. That is to say, it is not necessary for both companies to agree to bring it before the tribunal. If it were, it would be within the power of one company to make impossible the whole working of the Act. It would merely have to do nothing and the Act would be a nullity. Consequently, anyone is competent, by taking the proper steps, to bring a case before the tribunal. And that is so under the present wording.

Paragraph b was agreed to.

Paragraphs c and d were agreed to.

On paragraph e—National Railways:

Right Hon. Mr. MEIGHEN: I move that this paragraph be deleted and the following substituted therefor:

(e) "National Railways" means the National Company, as owner, operator, manager and otherwise, and its transportation, communication and hotel system, which system shall be deemed to comprise all companies which are elements of the Canadian National Railways as defined in the National Act, the respective undertakings of such companies, the National Company in its capacity as owner, manager or operator, in whole or in part, of any railways, including Canadian Government railways, or of any land, water or air transportation or communication services or hotel services, and the said railways and services, their works and property, and all such works and property as are ancillary.

The amendment was agreed to.

Paragraph f was agreed to.

On paragraph g—Pacific Railways:

Right Hon. Mr. MEIGHEN: I move that this paragraph be deleted and the following substituted therefor:

(g) "Pacific Railways" means the Pacific Company as owner, operator, manager and otherwise and all other companies which are elements of the Pacific Company's transportation, communication and hotel system, which system shall be deemed to include railway, express, automobile, aeroplane, inland and coastal steamship, telegraph, cable, radio and hotel companies, and, limited as hereunder and not otherwise than as so limited, the respective undertakings of the Pacific Company and of such other companies, but such undertakings shall be deemed not to include or to relate to manufacturing, mining, dealing in land, operating any ocean marine service or the like or anything ancillary.

Hon. Mr. BEIQUE: Would the right honourable gentleman tell me whether that is acceptable to the Canadian Pacific Railway?

Right Hon. Mr. MEIGHEN: Well, I can say that it is more acceptable than the paragraph that appears in the Bill; and as far as I know, it is acceptable. The last time I saw the representative of the company his objection to the definition was that before it could be said that such non-competitive properties as land, mines, etc., that are owned directly by the company, do not come within the Act, the onus would be on the company to show that they were not competitive. The representative felt this was an unfair onus. With respect to such properties owned by their subsidiaries, his position was that the definition was quite clear. The amendment then was revised to meet this objection, which I thought was a reasonable one. Under this new amendment such onus has been lifted and any such properties owned directly by the company would clearly be not within the meaning of the Act.

Hon. Mr. BEIQUE: Am I to understand, then, that the definition is acceptable to the Canadian Pacific Railway?

Right Hon. Mr. MEIGHEN: Well, I have not had an interview since, and I do not like to speak too definitely, but I think there would have been an interview if the definition were not acceptable.

Hon. Mr. BEIQUE: It seems to me that unless the public interest is involved, the wishes of the Canadian Pacific should be respected.

Right Hon. Mr. MEIGHEN: Yes, they should be.

The amendment was agreed to.

Paragraph h, i and j were agreed to.

Proposed section 4, subsection 1, was agreed to.

On subsection 2 of proposed section 4—Chairman; to devote all his time:

Right Hon. Mr. MEIGHEN: I move that this clause be amended by striking out the words "the National Company or a company within the undertaking" and substituting therefor the words, "a company which is comprised in National Railways."

Hon. Mr. McRAE: Honourable senators, I think it is well that we should consider at this time the point that I raised before the Railway Committee, namely, that as the clause stands the chairman of the trustees cannot be an officer of any other company, but he is not prevented from accepting a directorship in any other company. Now, I think we should bear in mind the fact that the chairman will

be in a very exceptional position. He will be the unquestioned head of our National Railways system, with all its financial ramifications, and he will have under his direction such large banking and other accounts that he will be approached to join the boards of financial institutions, if he can legally do so. It seems to me that if he did accept a directorship in one financial company, his action would not be popular among other similar companies. Certainly it would not be popular with the people of the country, and in dealing with this measure we are trying to give careful consideration to public opinion.

Hon. Mr. CASGRAIN: Perhaps the chairman of the trustees should not accept any new directorships, but does the honourable gentleman suggest that he should resign from any boards that he happens to be on?

Hon. Mr. McRAE: Yes, he certainly should resign if he is on any boards that in the opinion of the public might influence him in his new position.

Right Hon. Mr. MEIGHEN: I quite agree with the honourable member that if the man selected for chairman is at the time a director of any company whose interests would conflict with his duties as a trustee, he should resign from the directorate. But the honourable gentleman's first criticism was different, namely, that the chairman should be denied not only the right to be an officer, but also the right to be a director, in any company in the world other than the National Company or one within its undertaking. As a matter of fact he could not hold office in the main company, because the Act provides for only one officer, the titular president, and he must be somebody other than the chairman of the trustees; but it may be necessary for the chairman to be an officer of some of the subsidiary companies.

Now, if we go beyond the Bill and provide that the chairman shall not be even a director of any other company, the effect will be to exclude from the ranks of available trustees some of the most desirable men. Suppose it were desired to appoint a man who had devoted his whole life to the upbuilding of an industry, of which he has become president. He might be willing to resign the presidency, but he probably would want to continue as a director, to maintain a connection with the business that has been his life work, and he would refuse to accept a position which prevented him from doing this.

The honourable gentleman from Vancouver (Hon. Mr. McRae) urged his point before the Railway Committee with very great force, but

Hon. Mr. McRAE.

the committee felt the proper restriction to make was to deny the chairman the right to be an officer of any other company, mainly for the reason that his whole time would be required by the National Company.

Hon. Mr. MacARTHUR: I agree with the remarks of the right honourable leader of the House (Right Hon. Mr. Meighen). In the Railway Committee the suggestion came from myself, I think, that we should make a compromise in this matter by precluding the chairman from being an officer of any other company, but permitting him to hold directorships. I took the ground that we might as well exclude a man who was a shareholder of any company, because a man who, in order to become chairman of the trustees of the National Company, resigned his directorship in some other company, would continue to have practically as much influence with that company as if he had not resigned. He could, for example, exert his influence through some other director, and the result would be virtually the same as if he were still on the board. Many directorships are merely courtesy or honorary positions, the holders of which are not obligated to attend meetings. As the right honourable gentleman has said, I think the chairman should not be compelled to sever his identity with an industry with which he has been connected all his life.

Hon. Mr. SHARPE: How about the acceptance of new directorships?

Hon. Mr. CASGRAIN: He should not take on any new ones. He is supposed to have enough to do without that.

Right Hon. Mr. MEIGHEN: I do not see why a man selected for this chairmanship should be permitted to take on any new directorship. I am quite certain that he would not do so.

Hon. Mr. SHARPE: The last one did.

Right Hon. Mr. MEIGHEN: The last one did, that is true. I shall have no objection at all to an amendment, if it is the prevailing view that there should be one. At all events I would invite discussion on a proposal that the clause be amended so as to prevent the chairman from becoming a director of a company during his tenure of office.

Hon. Mr. CASGRAIN: If he could accept directorships, many big companies would want him on their boards, to help them sell things to the railroad.

Right Hon. Mr. MEIGHEN: This thought occurs to me. A man may be the head, in fact the whole personal force, of his own company, and if he were appointed to the railway

chairmanship it might become necessary to reorganize that company and obtain a new charter. He then would have to drop out of it completely, because it would be a new company. However, that emergency is not a likely one. If it is the general view of the committee, I shall not object to such an amendment.

Right Hon. Mr. GRAHAM: Would re-election every year be tantamount to accepting a new directorship?

Right Hon. Mr. MEIGHEN: I move to add to this clause, as amended, the following: and shall not during his tenure of office as trustee become director of any company, other than a company which is comprised in the National Railways, of which he was not a director at the time of his appointment.

Right Hon. Mr. GRAHAM: That would cover it.

Hon. Mr. FORKE: I am in sympathy with the views of the honourable member for Vancouver (Hon. Mr. McRae). But I cannot imagine any director of a great corporation, who has devoted the best part of his life to its management, will resign his position to become chairman of the board of trustees. I feel pretty sure that the people would look with a good deal of suspicion on the appointment of, say, a director of the Bank of Montreal to the chairmanship of this board.

Hon. Mr. CALDER: I do not agree with the position taken by my honourable friend. Many a man reaches the stage where he is willing to retire from the active direction of corporations in which he has been interested nearly all his life, and respond to the call of public service.

Hon. Mr. FORKE: I do not dispute that.

Hon. Mr. CALDER: But in doing so he does not wish to separate himself entirely from the business interests with which he has been closely identified.

Hon. Mr. CASGRAIN: Exactly.

Hon. Mr. GORDON: Would not the wording preclude the re-election of the trustee?

Right Hon. Mr. MEIGHEN: No.

Right Hon. Mr. GRAHAM: That is what it is meant to cover.

The amendments were agreed to, and subsection 2 of proposed section 4, as amended, was agreed to.

Proposed section 5 was agreed to.

On proposed section 6, subsection 1—vacancies; appointment from panel:

Hon. Mr. MURDOCK: Honourable senators, I am sure we all desire that this Bill shall be absolutely non-political in its implications, but I am equally sure that the language of this paragraph would provide an opportunity for political appointments. The concluding sentences read:

Such board shall be convened by the Chairman of the Trustees. In the case of an imminent vacancy the board may convene and act in anticipation thereof. If no such panel is so provided within ten days after the occurrence of a vacancy the Governor in Council may appoint as he may be advised.

When referring to section 3 and the possibility of the Chief Commissioner being temporarily unable to perform his duties, the right honourable leader of the House said that all the Chief Commissioner had to do was "to do nothing." Well, according to the wording of this paragraph relative to the convening of a nominating board to fill a vacancy, all the Chairman has to do is to do nothing for ten days, and then along comes the opportunity for the Governor in Council to make the appointment. I do not anticipate that anything particularly wrong is going to happen; but there is the opportunity for some one to drag his feet and do nothing, and thus open the way for a political appointment. That is not what any of us contemplates.

Right Hon. Mr. MEIGHEN: The honourable senator's interpretation is right, I think, but I hardly know how you can close all doors of that kind. I ask him just to summon to his mind his own experience of human nature. Can he imagine any trustee, with the power to dictate within a certain circle who are to be his associates, failing to exercise that power? It is not human nature; power is too much beloved of mankind. He will certainly exercise that power. He may wait the ten days, but he will never wait beyond that period. I do not believe that if the Government were to appoint as chairman the strongest partisan in this country he would divest himself of his pride, and his desire to dictate who should be his associates, to such an extent as to forgo the great opportunity that was his.

Hon. Mr. MURDOCK: I am satisfied to have called attention to the possibility.

Subsection 1 of proposed section 6 was agreed to.

On subsection 2—chairman's tenure of office; tenure of other trustees:

Hon. Mr. McRAE: Honourable senators, I propose to amend this subsection by inserting after the word "of" in line 31 the words "not more than," the amendment making the subsection read:

(2) The Chairman of the Trustees shall be appointed as such for a term of not more than seven years—

and so on. While I am in sympathy with much of this Bill, its departure from well established business principles with respect to corporate management gives me considerable uneasiness. Several generations of business men have helped to build up England's present system of corporate management; and a similar system is in force here and in the United States. One of the finest examples of this system is the Canadian Pacific itself, with its very able board of directors, representing virtually every section of the Dominion. I know it is intended to get a super-man as Chairman of the Board, but, even so, we must have regard to human frailty, and seven years is a long time during which to give a man carte blanche for the management of a company that represents an investment as great as the national debt itself. Who is the iron man to be entrusted with this great responsibility? In any event he will need some support, for he is going to become a very unpopular personage. In order to enforce rigid economy he will have to reduce staffs and train services and discontinue many facilities; and last, but not least, he will, we hope, scrap a very considerable mileage. Presumably he may not have a very wide experience in public service; apparently the Royal Commission does not regard those who have served the public as particularly fitted for these appointments. I cannot say that I am in sympathy with the setting up of an autocrat. I have grave doubts as to the working out of the provisions of this Bill. The right honourable leader (Right Hon. Mr. Meighen) cleared up one question with respect to which I was rather uncertain—the right of one railway to bring the other before the tribunal—and I entirely agree with his statement that otherwise the Bill would be futile. But let us try to realize just what this subsection actually means. It does seem to me that we are—shall I say?—pandering too much to public sentiment, and relieving the Government of the day of what I regard as its major responsibility—the Canadian National Railways. This subsection provides that the Chairman of the Trustees shall be appointed for seven years; as I read it, there is nothing within the four corners of the Bill providing for a shorter term. Why not leave it to the discretion of the Government to make the appointment for one, two, three, four or five years? That is the purpose of my amendment.

Hon. Mr. McRAE.

Hon. Mr. CASGRAIN: I am not in favour of restricting the appointment to seven years; it would disqualify a very satisfactory man for reappointment.

Hon. Mr. CALDER: It seems to me that in the last analysis this will be a matter of negotiation between the prospective appointee and the Government of the day. I do not think any harm can be done by the adoption of the proposed amendment. The appointee might be quite willing to act for three or five or seven years, or even longer, and if the amendment were adopted the Government would still have the right to make the appointment for a term of seven years.

Hon. Mr. CASGRAIN: The man appointed would always have the right to resign.

Hon. Mr. CALDER: Yes.

Hon. Mr. MURDOCK: During the sittings of the Railway Committee I thought I heard considerable argument in favour of giving a capable man reasonable assurance of continuity of office. Is not this entirely in line with the appointment of members to the Tariff Board, the Civil Service Commission, and other commissions? I think so. This proposed amendment affords an incoming Government opportunity to seek revenge. That is not what the people of Canada want. They want those placed in charge of the National Railways to discharge their duties without fear or favour, relying on the assurance of reasonable continuity of office under the principle embodied in this Bill. I can see no good reason for an amendment of this kind. It must be prompted by the hope, deeply embedded in somebody's heart, "If we are not successful in scrapping the whole thing right now, oh, well, we shall surely get a chance at it twelve months from now, with no contractual obligations to some one to whom we have said, 'Come ye out from among them and take this important job.'" With all due respect to the views of my honourable friend from Vancouver (Hon. Mr. McRae), this amendment seems to me to be only part of the game to scrap the whole purpose of the Bill. Let us stick where we were at in the Railway Committee and give that assurance of continuity of office to the best and most capable man the Government can secure to act as Chairman of the Trustees. If it changes its mind later, let it accept the consequences. That is what should be done, unless we are to have a half-hearted, evasive plan for the operation of these railways, with no sincerity or backing behind it.

Hon. Mr. CASGRAIN: Is there any provision by which the Chairman of the Trustees is secure in his appointment, just the same, for instance, as the Auditor General?

Right Hon. Mr. MEIGHEN: I think there is some misapprehension as to the effect of the amendment. I am against the amendment, but not for the reasons advanced. The amendment would give the Government power to appoint up to seven years, but it could not dismiss its appointee, nor could its successors do so.

I am against the amendment, however, for reasons which I shall seek to advance very briefly. First of all, it is the recommendation of the Commission that the man who is given this tremendous job should have seven years within which to achieve something worth while. The commissioners feel that the great central responsibility is to be placed on one man, and that it would not be possible for him to discharge it within a shorter period. I should not like to put my opinion against the studied judgment of the Commission on this point. I think my position, if it needs reinforcement, is reinforced by the argument of the honourable gentleman from Vancouver (Hon. Mr. McRAE). I think he did the Committee a service in bringing to bear an argument which largely destroys his own contention. He says that the man who undertakes this task will have to effect economies which will not be popular wherever they are imposed; that he will have to cut down services, and may have to decide on the abandonment of lines; that, therefore, he will become unpopular, and no man will want the position very long. Does not the honourable gentleman see that that is just the reason why this man should take the position for seven years, and why there should be no possibility of interference during that period? If this is not done, pressure of all kinds will be brought to bear upon him to induce him to get out. The idea is that once he has undertaken the job he has pledged his word of honour to the people of Canada to see it through to completion. Surely the recommendation that the period of commitment be seven years is a proper one. If the worst comes to the worst, and the appointee finds that through ill-health or economic pressure he is not able to continue in office, then, as some honourable senator has pointed out, the Chairman of the Trustees can resign at any time.

Another reason for fixing the seven-year period is this: the whole stagger system would be shaken to its foundation if a shorter period were substituted. For what length of time are the other trustees to be appointed? If

one of them is appointed for two years, in order to maintain your stagger system you will have to appoint one for six months, and another for a year. You cannot get along very well with a shorter period than seven years for the longest term.

Hon. Mr. McRAE: I fully appreciate what the right honourable leader of the House says, but this amendment simply extends to the Government the same right with respect to the chairman that it has with respect to the other trustees, for the Act says the others shall be appointed—

Right Hon. Mr. MEIGHEN: That is the first appointment.

Hon. Mr. McRAE: Yes, but there is no provision for reappointment after seven years.

Right Hon. Mr. MEIGHEN: Oh, yes. A trustee who takes the place of one whose term has expired is appointed for seven years.

Hon. Mr. McRAE: The object of my proposal is to leave the Government in such a position that it can negotiate and make a contract for any term, not exceeding seven years, that might be deemed proper. This, it seems to me, gives the Government a little more leeway in arranging for the chairman.

Hon. Mr. L'ESPERANCE: Is there any provision to compel the retirement of the chairman if he should prove incapable of performing his duties? We have sometimes been handicapped by the fact that our judges, and others appointed to high positions, have refused to resign.

Right Hon. Mr. MEIGHEN: That is one of the multitude of services performed by the Standing Committee of this House. There was no provision for that in the first place, but I think that now every contingency is covered by the Bill.

The CHAIRMAN: It is moved by Hon. Senator McRAE—

Hon. Mr. CASGRAIN: Who is the seconder?

The CHAIRMAN: —seconded by Hon. Senator Sharpe, that the words "not more than" be inserted after the word "of" in line 31.

The proposed amendment of Hon. Mr. McRAE was negatived.

Subsection 2 of proposed section 6 was agreed to.

Subsections 3, 4 and 5 were agreed to.

On subsection 6—procedure while vacancy exists:

Hon. Mr. MURDOCK: I am quite sure all honourable senators will take careful note of the splendid endorsement of the principle of seniority contained in this subsection.

Subsection 6 was agreed to.

Subsections 7 and 8 were agreed to.

On proposed section 7—removal from office or reduction of salary:

Hon. Mr. McRAE: I should like to ask the right honourable leader of the House whether, in the event of the repeal of this Act, the trustees would continue to draw full pay to the end of their terms.

Hon. Mr. CASGRAIN: If they had a contract, of course they would.

Right Hon. Mr. MEIGHEN: The effect of the repeal of the Act would be to cut off the power of all the trustees; they would no longer have the power to do anything. But any contracts made by this company would still have effect. The company would still be a company, notwithstanding the repeal.

Proposed section 7 was agreed to.

On proposed section 8—provincial companies re-incorporated:

Hon. Mr. GRIESBACH: Could you not shorten the discussion, Mr. Chairman, by reading only the marginal notes of those sections which are not being amended? The Railway Committee consists of forty-eight members, the greater proportion of whom attended most of the meetings. The amended Bill has been printed for some time, and I see no reason why you should have the labour of reading all the sections.

The CHAIRMAN: There are no marginal notes in my copy.

Hon. Mr. CASGRAIN: I will give you mine.

The CHAIRMAN: We are dealing with the amendments proposed. Is it the view of the Committee that it is sufficient merely to call the sections?

Right Hon. Mr. MEIGHEN: By their numbers.

The CHAIRMAN: By their numbers. They will be submitted and carried unless there is some objection.

Some Hon. SENATORS: Carried.

Proposed section 8 was agreed to.

On proposed section 9—when proclaimed, direction and control to be vested in Trustees:

The Hon. the CHAIRMAN.

Hon. Mr. McRAE: In subsection 6 it is declared:

No order, regulation, by-law, act, decision or proceeding of the Trustees shall require the approval of His Majesty.

I would ask the leader of the House whether that applies to financial matters; for instance, to the reissue of bonds, and matters of that kind.

Right Hon. Mr. MEIGHEN: Oh, no; inasmuch as those matters are specifically covered by other sections of the Bill. The courts will interpret this Bill as giving effect to all sections. Such questions have to come before the Minister in the regular way. I might point out that this fact is, in considerable measure, an answer to the honourable member's fears as previously expressed. While no direct governmental supervision is maintained, and the whole responsibility is put upon the trustees, as managers, nevertheless Parliament, at the instance of the Government, still controls the purse strings.

Proposed section 9 was agreed to.

On proposed section 10, subsection 1—chief operating officer to be president:

Hon. Mr. FORKE: Mr. Chairman, it seems to me that we might very well take time to read a Bill of this importance clause by clause.

The CHAIRMAN: I understood that the Committee was satisfied to have the clauses called by numbers, and approved.

Hon. Mr. FORKE: It may be a matter of form, but what is the meaning of, "Does No. 4 carry?—Carried"?

The CHAIRMAN: If the honourable gentleman will move—

Hon. Mr. FORKE: I move that the clauses be read.

Hon. Mr. BALLANTYNE: I do not know why the honourable gentleman should want that. He attended every meeting of the Standing Committee and must be familiar with every clause of this Bill.

The CHAIRMAN: It is moved by Hon. Mr. Forke that all the sections of the Bill be read before being submitted to the Committee.

Hon. Mr. CASGRAIN: Who seconds the motion?

The CHAIRMAN: A seconder is not required in Committee of the Whole.

Hon. Mr. CASGRAIN: All right; go on.

The CHAIRMAN: Is the motion carried?

Some Hon. SENATORS: Lost.

Right Hon. Mr. MEIGHEN: I think it is the practice to read the numbers of the sections, and, if any honourable member requests it, to read a particular section under consideration. Perhaps the honourable gentleman (Hon. Mr. Forke) would be satisfied if the chairman read the number of the section and gave the members a chance to grasp the full sense of it before he proceeded to the next one.

The CHAIRMAN: In other words, read very slowly.

Hon. Mr. GORDON: I think the chairman ought to read the marginal notes.

Hon. Mr. CASGRAIN: He has no marginal notes.

The CHAIRMAN: We are now on the proposed section 10. Shall subsection 1 of section 10 be approved?

Subsection 1 of proposed section 10 was agreed to.

Subsection 2 was agreed to.

Proposed section 11 was agreed to.

On proposed section 12—annual budget:

Hon. Mr. McRAE: I should like to ask the right honourable leader of the Government what supervision Parliament has, if any, over the railway operations, under this paragraph, other than the voting of the money required or the approval of the budget.

Right Hon. Mr. MEIGHEN: Parliament has the power to refuse to vote, or to disapprove. That means the whole control.

Proposed section 12 was agreed to.

Proposed section 13 was agreed to.

On proposed section 14, subsection 1—annual report to Parliament:

Right Hon. Mr. GRAHAM: This is very important. I wonder if the chairman would mind reading this.

The CHAIRMAN: The first clause of section 14 reads:

The Trustees shall make a report annually to Parliament setting forth in a summary manner the results of their operations, any co-operative measures, plans or arrangements effected pursuant to this Act, any economies or more remunerative operation thereby produced, the amounts expended on capital account in respect of the railways, works, property, facilities and services comprised in the undertakings of National Railways and such other information as appears to them to be of public interest or necessary for the information of Parliament with relation to any situation existing at the time of such report, or as may be required from time to time by the Governor in Council.

Right Hon. Mr. GRAHAM: I think the importance of this section lies in the fact that not only must the trustees make an annual report, but they must furnish special information at any time they are required to do so by the Governor in Council, even though it may have no connection with anything contained in their annual report.

Hon. Mr. McRAE: I take it that this section contemplates that the Chairman of the Trustees will appear before the Railway Committee of the House of Commons, as the President of the Canadian National has done in the past. Am I right in that assumption?

Right Hon. Mr. MEIGHEN: This section does not deal with that at all. It merely provides that the trustees shall report annually to Parliament on certain phases and any other phases that the Governor in Council may require information on from time to time. The question whether or not the chairman should appear before a committee of Parliament is not dealt with at all in the Bill.

Right Hon. Mr. GRAHAM: But it has been the practice for the President of the Canadian National to appear.

Right Hon. Mr. MEIGHEN: Yes. Anybody who is summoned has to appear.

Subsection 1 of proposed section 14 was agreed to.

Subsection 2 was agreed to.

On proposed section 15—reports to Parliament through the Minister of Railways:

Hon. Mr. McRAE: This section provides that the annual reports of the trustees and the auditors shall be submitted to Parliament through the Minister of Railways. It seems to me that if this Bill becomes law there will not be a great deal of work for the Minister of Railways to do, and it is possible that we may not have a Minister of Railways. In any event, the reports will have to do largely with financial matters, and it occurred to me that the Minister of Finance might be the appropriate Minister to submit them. I am making these remarks merely by way of suggestion.

Right Hon. Mr. MEIGHEN: I think the honourable member will agree that while there is a Minister of Railways he would be the proper one to submit to Parliament the reports of a great railway organization. If there ever should come a time when there would be no Minister of Railways in this well-railroaded country, then, no doubt, an Act would be passed to provide that wherever

in certain statutes there is reference to the Minister of Railways it should be understood to mean the Minister of Finance, or other Minister, as the case might be. I am sure that the present Minister of Railways would not feel at all flattered by any suggestion that he has not enough to do.

Hon. Mr. HUGHES: How soon after Parliament meets will the report be submitted?

Right Hon. Mr. MEIGHEN: It depends upon when it is prepared.

Hon. Mr. HUGHES: If it were submitted during the last days of a session there would not be much time for discussion.

Right Hon. Mr. MEIGHEN: That would never be the case under the present Government.

Right Hon. Mr. GRAHAM: I think the customary time is within fifteen days after the opening of Parliament.

Right Hon. Mr. MEIGHEN: It could be limited to fifteen days after the preparation of the reports, if Parliament should then be sitting, or otherwise to within fifteen days after the opening of Parliament. The right honourable senator from Eganville (Right Hon. Mr. Graham) will agree that if the report were not in when it should be in, no Government could sleep at night as long as that situation lasted.

Right Hon. Mr. GRAHAM: Some of them sleep in the day-time.

Right Hon. Mr. MEIGHEN: Those days are past.

Proposed section 15 was agreed to.

On proposed section 16, subsection 1—co-operative measures, plans and arrangements by C.N.R. and C.P.R.:

Hon. Mr. CALDER: Mr. Chairman, there is a matter upon which I should like to have definite information. Let us suppose that in accordance with this part of the Bill the railways agree to have a joint terminal, and that as a result of that agreement one company's terminal is dismantled and no longer used for anything. I should like to know whether there would be an understanding between the two companies that if one of them desired to re-establish that terminal for its separate use in the future, it would have the right to do so. Or would the agreement provide that the joint terminal is to be used by both railways so long as they continue to exist?

Right Hon. Mr. MEIGHEN: If by mutual arrangement, under the direction of this sec-

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tion, the two roads should come to such an agreement as the honourable member contemplates—that is, for the joint use of a single terminal and the abandonment of one that had existed—the arrangement would last as long as the companies desired. Within the four corners of the agreement there would be some provision as to the disposition of the abandoned terminal, and as to how it might be made available for some other or resumed use.

Hon. Mr. CALDER: The railways could make the agreement for a period of one hundred years, if they wanted to?

Right Hon. Mr. MEIGHEN: For as long as they wanted. If at any time one of the companies thought that greater economy could be effected by a different arrangement, it might be able to get the other company to agree to make a change. But if they found it impossible to agree they could go before a tribunal for a decision.

Hon. Mr. POIRIER: Mr. Chairman, I am a little puzzled as to who shall call the meetings of representatives of the two companies. Will officers of the Canadian National or of the Canadian Pacific do this? It may be that there will be no move at all.

Right Hon. Mr. MEIGHEN: That is what has happened, no move at all. Now they are directed to move.

Hon. Mr. POIRIER: Who shall start?

Right Hon. Mr. MEIGHEN: Either company can approach the other and say, "We have a plan covering a certain field of operation and we should like to talk it over with you." The company that will make such a proposal will probably be the one likely to get the greater benefit if the plan is agreed on, I should say.

Hon. Mr. POIRIER: But if neither company makes such a move, then what happens?

Right Hon. Mr. MEIGHEN: Nothing would be done, and the Act would be ignored. But that is improbable, because it will be to the interest of one or the other company to make certain proposals.

Subsection 1 of proposed section 16 was agreed to.

Subsections 2, 3 and 4 were agreed to.

Hon. Mr. CASGRAIN: Mr. Chairman, before we pass to Part III, I should like to refer to your ruling that it is not necessary to have a seconder of a motion in committee. I took the trouble to consult Mr. Beauchesne and I have his written opinion. We have had

a number of parliamentary authorities, such as May, Todd, Flint and Bourinot, but Beauchesne has had the advantage of studying them all and he is the latest. He says that you cannot make a motion in the Senate without a seconder.

Right Hon. Mr. GRAHAM: In Committee of the Whole?

Hon. Mr. CASGRAIN: Yes.

Right Hon. Mr. MEIGHEN: In view of the decision of our chairman, Mr. Beauchesne may have to issue another edition of his book.

Right Hon. Mr. GRAHAM: Mr. Beauchesne should be officially notified.

On proposed section 17, subsection 1—tribunals to be erected as required:

Hon. Mr. McRAE: We have been making pretty good progress this afternoon, and, as we have now reached a controversial part of the Bill, I am sure that many honourable members will join with me in suggesting to the right honourable leader of the House that we adjourn.

Right Hon. Mr. MEIGHEN: I am in the hands of the Committee. It is quite clear that since in any event we are not to sit later than six o'clock this afternoon, we cannot get the Bill over to the Commons to-day. Whatever is convenient to the House will suit me.

Hon. Mr. BALLANTYNE: Part III of the Bill is very important, and, as some honourable senators are to leave the city soon, I think it would be wise for us to proceed as far as we can.

Hon. Mr. MURDOCK: This Bill has been pending for several months and many people are wondering why we have been dragging our feet. We have sat only an hour and fifty-five minutes this afternoon, yet an honourable member suggests that we adjourn. That reminds me of the first session I was a member of this House. Since that time I have heard a lot of criticism about railwaymen's pay, but I was paid at the rate of \$64.30 for every hour I sat here during that session. Why should we adjourn now, when the public are waiting for us to get something done with this Bill?

Hon. Mr. CASGRAIN: The honourable gentleman is always advocating shorter hours.

Hon. Mr. CALDER: Mr. Chairman, may I inquire whether, if we proceed now, it is intended to take the third reading of the Bill to-day? I must say very plainly to this House that I am opposed to Part III of the

Bill as it stands, and I shall require an opportunity to explain, probably at some length, my reasons for that stand. I am not asking that we adjourn at present, but I do say that we should not try to pass the measure to-day, for every member of the House should be given the fullest opportunity to express his views.

Hon. Mr. BALLANTYNE: Go ahead.

Hon. Mr. CALDER: I am not prepared to do so at the moment, but I intend to speak on the third reading.

Hon. Mr. CASGRAIN: Third reading could be given to-day only by unanimous consent.

Subsection 1 of proposed section 17 was agreed to.

Subsection 2 was agreed to.

On subsection 3—particular jurisdiction of tribunals:

Paragraphs a, b, c and d were agreed to.

On paragraph e—abandonment of lines, services or facilities:

Hon. Mr. McRAE: I desire to correlate this paragraph with the inquiry which I directed to the right honourable leader of the House earlier in the afternoon with respect to the right conferred on either company to call the other before the tribunal to decide any question of difference between them. This paragraph dealing with the abandonment of lines involves the capital assets of at least one railway, and I think we should very seriously consider its implications. There are several angles to be considered, and on the third reading I hope to voice my objections to the paragraph. In the meantime I wish to direct the attention of honourable members to what the paragraph may involve.

Paragraph e was agreed to.

Paragraphs f and g were agreed to.

On subsection 4—limitations upon jurisdiction:

Right Hon. Mr. MEIGHEN: I beg to move that subsection 4 of section 17 be deleted and the following substituted therefor:

(4) No Tribunal shall have power or jurisdiction to settle, determine or order that any measure, plan or arrangement should or shall consist of or include any agreement for the construction of extensions and additions to existing railway lines, terminals or facilities except in such minor matters as connections to give access to existing lines, terminals or facilities which, as the result of the settlement or determination of any dispute by any Tribunal or otherwise, are used or are intended to be used in common.

Hon. Mr. MURDOCK: Last night the right honourable leader of the House promised to consider a further amendment that I then suggested along these lines:

Nor shall any Tribunal have the right to set aside or abridge any Act which as a safety, social or humane measure protects the rights of the public or of the employees.

Am I to take it from the answer which he gave me this afternoon that section 2, dealing with inconsistent provisions, is sufficient without the placing of any limitation upon the tribunal in this particular subsection? It deals entirely with limitations upon jurisdiction.

Right Hon. Mr. MEIGHEN: Whether or not this Bill interferes with some very general principle such as that embodied in the present question of the honourable senator, I cannot say. But I do say it would be wholly unsafe to accept his amendment, because it would be more like preaching a sermon than legislating as we are accustomed to do. I do not know of any other statutory provision that could be described as a humane provision with which any part of this Bill is inconsistent, but I should not like to say there is not one; I do not know all the laws of Canada. I do not think there would be. I would urge the Committee to recognize not only the importance, but the overwhelming, imperative necessity, of having the Act work, and not seek to impose restraints here and there which in effect would really mean that this is a fine and lovely measure as long as it gets nowhere.

Hon. Mr. MURDOCK: I am just as anxious as any honourable senator to have this a really workable Act.

Right Hon. Mr. MEIGHEN: I know.

Hon. Mr. MURDOCK: At the same time I cannot help remembering that for forty odd years Parliament has been enacting measures for various purposes. Now, in the most critical period of our railroad history, we are undertaking to enact, in three parts, a Bill which proposes, and which we hope will bring about, real economical operation as between the two railways. In section 2 it is briefly intimated:

The provisions of this Act shall bind His Majesty and shall prevail over all inconsistent provisions of all other Acts.

The prime purpose of this Bill is economy—economy in the operation of our railways. The question presents itself to me: Are we going to sacrifice, perhaps at the direction of some distinguished gentleman, all the safety

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and humane enactments of the past forty odd years, for the sake of economy in the operation of our railways?

Right Hon. Mr. MEIGHEN: Would the honourable gentleman give an instance of one of those provisions enacted for safety and humanity? Then I could answer his question.

Hon. Mr. MURDOCK: Yes. There are enactments, for instance, to provide for safety appliances on cars and to regulate the height of bridges and the building of overhead structures.

Right Hon. Mr. MEIGHEN: Those would not be interfered with.

Hon. Mr. MURDOCK: There are many similar enactments. I am wondering, what if the two railways said now, as they have often said heretofore in attempting to evade what the law appeared to contemplate with respect to safety appliances, "Under section 2 of the Bill we do not have to provide those safety appliances, and we will agree to evade any order to that end"? In the meantime the lives or limbs of their employees or of the public may be at stake.

Right Hon. Mr. MEIGHEN: The railways cannot do that.

Hon. Mr. CASGRAIN: Does the honourable senator think the Railway Board will die?

Hon. Mr. MURDOCK: The Railway Board will be just as good as dead when the provisions of this Act become effective.

Hon. Mr. CASGRAIN: Oh, no.

Hon. Mr. MURDOCK: Then I am sadly at fault in my interpretation of these sections. Under sections 23 and 24 the Chairman of the Board has to consult with himself as Chairman of the Arbitral Board, and again with himself as Chairman of the Board of Railway Commissioners, and in the event of any conflict between an order of the Railway Commissioners and that of any tribunal, the decision of the tribunal is to prevail. In other words, it is a one-man decision so far as the Board of Railway Commissioners is concerned. The effect of those sections is to render the members of the Railway Commission nonentities in the carrying out of the provisions of the Railway Act.

Hon. Mr. BEIQUE: It would be open to the honourable gentleman at any future session of Parliament to raise any concrete question which he may have in mind.

Hon. Mr. MURDOCK: I realized that, and I anticipate it will be done just as readily by some other honourable gentleman as by myself.

Hon. Mr. CASGRAIN: Under the Railway Act a new route map must be filed for any deviation of more than six miles from the route as approved by the Railway Commission. Would that limitation prevail under this amended subsection 4?

Right Hon. Mr. MEIGHEN: I do not think it would prevail; but the honourable senator should remember that no plan can be approved unless it involves economies or more remunerative operation.

The honourable senator from Parkdale (Hon. Mr. Murdock) puts a question which I think I should try to answer. His fears, I am sure, are ungrounded,—unless my law is very bad. To say that the provisions of a Bill shall prevail over inconsistent provisions of previous legislation does not mean that two parties making an agreement authorized by the Bill can by that agreement nullify previous legislation. I say unhesitatingly—and I speak as a lawyer perhaps more than as leader of the Government—I say unhesitatingly that those parties must make their agreement conform to the requirements of the law.

Hon. Mr. CASGRAIN: That is right.

The amendment to subsection 4 of proposed section 17 was agreed to.

Subsections 1, 2, 3 and 4 of proposed section 18 were agreed to.

On subsection 5—Tribunal may be reconvened:

Right Hon. Mr. MEIGHEN: I move that subsection 5 of proposed section 18 be deleted and the following substituted therefor:

(5) The Chief Commissioner may of his own motion or at the request of the National Company or the Pacific Company or both, reconvene any Tribunal to settle or determine any dispute which relates to the conditions, interpretation or enforcement of any order made by that particular Tribunal, or to enforce the jurisdiction of, or any order of, such Tribunal pursuant to section twenty-two of this Act, and such reconvened Tribunal shall have power and jurisdiction to settle or determine in the premises.

The amendment to subsection 5 of proposed section 18 was agreed to.

Subsection 6 was agreed to.

Proposed sections 19 to 25, inclusive, were agreed to.

On proposed section 26—quashal of a dispute:

Right Hon. Mr. MEIGHEN: The honourable senator from North York (Hon. Sir Allen Aylesworth) has asked me whether or not the word "quashal," used in the last line of this paragraph, is the proper word; whether,

Hon. Mr. MURDOCK:

indeed, it is a word at all. When he spoke to me I had to admit that I was a little uncertain. I have looked in the Oxford Dictionary, and do not find it there; but that is quite natural, because quite frequently when the stem word is shown the words derived from it are omitted. That there is such a word as "quashal" is certified to me by the fact that it appears in various judgments and records of court proceedings.

The suffix "al" is one that is very generally used in nouns of action which have a Latin or French derivation. Honourable members will call to mind dozens of such words in an instant—renewal, reprisal, survival, perusal—

Hon. Mr. CASGRAIN: Arrival.

Right Hon. Mr. MEIGHEN: And arrival. I have at least thirty of them before me—avowal, acquittal, committal, dismissal, requital, recital, refusal, transmittal, rehearsal, and so forth. After consideration I am of the opinion that it is a proper suffix in a noun of French or Latin origin.

Hon. Mr. BEIQUE: I would suggest that a word that would be understood should be put beside it, in parenthesis.

Hon. Mr. CASGRAIN: The fact that we have had to go beyond the confines of the dictionary is an evidence of the labour the Senate has put upon this Bill.

Hon. Sir ALLEN AYLESWORTH: With reference to the disputed word "quashal," I should like to suggest that when we are legislating we had better use a recognized English word. We should change this to "quashing."

Right Hon. Mr. MEIGHEN: The word "quashing" would have the very same effect, but I am persuaded that "quashal" is an equally good word. However, I am not a stickler for a particular word when another is good enough.

The CHAIRMAN: It is moved by Hon. Sir Allen Aylesworth—

Hon. Mr. CASGRAIN: Seconded by me.

The CHAIRMAN: —that the word "quashal" in the next to last line in section 26 be changed to "quashing."

The amendment was agreed to, and proposed section 26, as amended, was agreed to.

On Part IV—general clause:

The recommendation of the Standing Committee to leave out Part IV of the Bill was agreed to.

On the preamble:

The recommendation of the Standing Committee to leave out all the words from and including "whereas" in line 1 to and including "therefore" in line 5 was agreed to.

The preamble, as amended, was agreed to.

The CHAIRMAN: Before reporting the Bill and the amendments, honourable gentlemen, may I cite Beauchesne in support of the decision given by the Chair and accepted by the Committee? I am giving this quotation for the benefit of the Committee and the edification of the honourable senator from De Lanaudière (Hon. Mr. Casgrain), who, I trust, will not forget it in the future. Beauchesne says:

The Standing Orders of the House shall be observed in the Committees of the Whole House so far as may be applicable, except the Standing Orders as to the seconding of motions and limiting the number of times of speaking. So in Committee of the Whole no seconder is required for a motion.

I also refer the Committee, and the honourable senator, to May at page 271, where it is stated:

Motions in Committee do not require a seconder.

Hon. Mr. CASGRAIN: Now we know it.

The amendments were reported, and concurred in.

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

THE SENATE

Thursday, February 23, 1933.

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

Prayers and routine proceedings.

PRIVATE BILL

FIRST READING

Bill 16, an Act respecting the Synod of the Diocese of Saskatchewan and to change its name to "Synod of the Diocese of Saskatoon."

—Hon. Mr. Horsey.

CANADIAN NATIONAL-CANADIAN PACIFIC BILL

THIRD READING

Right Hon. ARTHUR MEIGHEN moved that Bill A, an Act respecting the Canadian National Railways and to provide for co-operation with the Canadian Pacific Railway System, and for other purposes, be now read the third time.

The Hon. the CHAIRMAN.

Hon. J. A. CALDER: Honourable members, on account of the importance of the decision that we are about to reach on this measure, I purpose to follow very closely the notes which I have prepared setting forth my views on the subject.

After several weeks of somewhat strenuous work, we at last have before us for final decision the action to be taken by this branch of Parliament with respect to the Railway Bill submitted to us for consideration. That the measure in all its features, and from every conceivable angle, has received full and ample consideration cannot be questioned. The Bill as reported to us undoubtedly represents the calm, mature, independent majority view of your Railway Committee. There is no question at all about that.

Personally I regret very much that I find myself unable to accept the Bill in its entirety as it is now before us. Holding the views I do, I conceive it to be my duty as a member of this Chamber to give expression to my opinions and the reasons therefor before a final vote is taken. I must therefore ask for your indulgence whilst I endeavour to state as clearly and frankly as I possibly can my objections to the Bill.

In order to lay a foundation for the views to which I shall later give expression, I desire at this stage to cite certain facts and conditions, all of which, with others, have contributed to the creation of the railway problem that now confronts us. These facts are as follows:—

(1) Owing to economic and allied conditions prevailing the world round, all large railway systems, wherever located, have greatly depleted revenues, with resulting financial difficulties. Where the railways are publicly owned the State must carry the burden, but where privately owned any loss sustained accrues to the shareholders. Ordinarily a well managed private corporation builds up over a period of years the necessary reserve to take care, at least partially, of a situation such as this. In Canada, owing to conditions existing in the past, it was practically impossible to provide for a reserve for the National System. Consequently, for three years the State has had to provide, through taxation or borrowing, huge sums of money to take care of deficits. These amount at present to more than one million dollars a week.

(2) During recent years, on an ever-increasing scale, the revenues of all railway systems have been seriously affected by the automobile, the bus and the truck. The rivalry for traffic between steam and gasoline is bound to continue and grow. It is admittedly very doubtful that our railways may hope for any

material relief in this regard by any attempt to tax, control or regulate this new type of transportation.

(3) It is claimed to be a fact, by those who should know, that the McAdoo Award as adopted and applied to the railways of Canada gave rise to financial burdens, for wages, maintenance and materials, that were most onerous and inequitable when compared with similar costs carried by industrial concerns.

What I am doing now is this: I am trying to point out the causes which have contributed to the condition that exists. I shall deal with some of these later.

4. The railway mileage of Canada is far in excess of the country's actual requirements. For the purposes of our discussion nothing will be gained at this juncture by questioning the foresight, the optimism or the wisdom of those responsible for this condition. The bald fact stands forth that Canada is not now, and will not be for many years to come, sufficiently populated to produce the traffic necessary to pay the interest on the hundreds of millions of dollars that have been poured into railway expansion during the past twenty years or so. There is no question at all about that.

5. This excess railway mileage is the cumulative result of action by Parliament itself—(a) in building the Transcontinental line from Moncton to Winnipeg; (b) in acquiring for the State the Canadian Northern and the old Grand Trunk systems, the Grand Trunk Pacific from Winnipeg to Prince Rupert, and many if not most of the branch lines whose bonds were originally guaranteed by the provinces; (c) in acquiring several if not many of what are commonly referred to as scrap or junk railways, which never did, could or would pay interest on their cost—to say nothing of the deficits having to be paid on operating accounts; (d) in permitting, either by charter or through a branch of the public service (the Railway Board), the duplication of many hundreds if not thousands of miles of railway that should never have been built. Again I repeat, it is a fact that the people of Canada themselves, through their own Parliament, are responsible for the existence of some thousands of miles of railway that have been and will continue to be a tremendous burden on the public treasury.

6. In Parliament, until recently, all political parties put their stamp of approval on the policy of "Hands off the C.N.R.," "No political interference," no publicity of its inner workings. Whenever a member ventured to make a pertinent inquiry regarding management or costs he was almost invariably con-

fronted with the reply, "It is not in the public interest." I ask you this: Is it not a fact that Parliament built or acquired a two-billion-dollar railway plant and handed it over to a small group of men who had not a dollar at stake except their salaries, and without providing anything in the nature of adequate checks and control as regards both administrative policy and expenditures?

7. From my general knowledge of what has taken place in the past I have reason to believe that the annual budget requirements of the National System, before their submission to Parliament, have not been subjected to sufficient expert review and analysis to determine properly either their necessity or the results that would follow from the expenditure of the moneys asked for.

To put it bluntly, I mean this. Under our democratic form of government ministers of the Crown are largely what I may call political accidents. I would not for a moment intimate that cabinets, by and large, do not contain many very capable ministers. I do say, however, that as a general rule ministers of the Crown, without proper assistance, are not equipped with sufficient knowledge and experience to enable them to pass expert judgment on the complex budget requirements of a two-billion-dollar active business concern about which they know little or nothing. I have been there: I have acted on committees and have been asked to review the budget requirements of the Canadian National Railways. As my honourable friend from Alma (Hon. Mr. Ballantyne) said the other day, he also was there, and we sat together as a committee to consider the budget requirements of a huge railway system. I ask you, as I ask myself, what did I know about the subject? What experience had I that would enable me to pass a considered, well balanced, true, just judgment on the subject with which I was asked to deal? I had no experience whatever in that field. And such is the position that ministers of the Crown have been in all along. My right honourable friend across the way (Right Hon. Mr. Graham) knows that. He knows the performance that is gone through in the consideration of these huge budgets that must necessarily come to Parliament. I say that in past years ministers of the Crown and committees of the Cabinet, because of lack of knowledge and lack of experience, have not been sufficiently equipped to deal with huge problems of that kind.

In addition I must state this belief. Notwithstanding all our pious expressions and hopes with respect thereto, there must have been a good deal of political interference with the

management of the National System. It may not have been direct, and evidence of it may not exist in writing. Nevertheless the popular opinion prevails that it was there constantly exercising its influence for evil. Will any member of this Chamber tell me that the National management, of its own volition and without political interference or pressure, would have asked for the millions required to construct huge hotels at Vancouver, Saskatoon and Halifax? Did the National management, as the result of sound business judgment, seek to acquire hundreds of miles of junk railways at a cost of more millions? The answer surely must be no. There is only one inference to be drawn, namely that sufficient pressure was brought to bear upon the management of the National System to cause it to include in its budgets the estimates for the amounts required to do those things. I am speaking now of the influences, the conditions and the facts that have contributed to the mess that the Canadian National now finds itself in.

I also have reason to believe that the annual budget requirements of the National System have never been submitted to Parliament with such classification and detail as are necessary to enable members to understand clearly their purposes and effects. Is it not a fact that from year to year the estimates of the National System have been submitted to Parliament in blanket form? Millions upon millions of dollars are asked for by a half dozen or so of printed lines, couched in the most general terms and so framed as to permit all conceivable sorts of hidden expenditures that were not contemplated by Parliament, nor, in many instances, even by the Government itself. It would almost appear, from what we now know, that the greatest ingenuity has been displayed in the actual wording of the estimates to bring about this condition.

I have reason to believe, further, that the adopted policy and practice of the past as regards publicity of the proposed and actual expenditures of the National System have resulted in the gravest kinds of injustice and harm, not only to the people of Canada, but to the management of our state-owned railways as well. In the last analysis is it not a fact that the National System is but a department of Government? Parliament cannot divorce itself from the responsibility of so treating it, even though the actual control and management of the system are handed over to a board of trustees. Why, then, within proper bounds, should we not have a detailed annual financial statement either in the estimates, indicating proposed expenditures, or in a report indicating actual expenditures,

Hon. Mr. CALDER.

with sufficient information to enable both the public and Parliament to see and know either what is about to happen or what has happened, as the case may be? In the past the expenditures of the National System have been largely shrouded in clouds of darkness and mystery and it has been only with the greatest difficulty that certain types of expenditures and extravagances have been dragged into daylight, where they could be seen in all their hideousness.

I say that the Canadian National Railway System, even if under a board of trustees, is merely a department of Government and should in the main be treated as such. We know what happens in the case of other departments of Government: nothing is concealed; everything is brought into the light of day; printed records show what has happened, and anyone who can read and wants to know can find out. But such has not been the policy so far as the National Railways are concerned. The policy pursued, ever since the National System was established, was that we should not interfere with the System, that things should be hidden and people kept in the dark. It was said to be contrary to public interest that the National Railway System's competitor should know what was happening. But do honourable members suggest that its competitor does not know what is going on? Does anyone mean to tell me that the Canadian Pacific is not able at any time to get any information it wishes with respect to the inner operations of the Canadian National? Of course it is. That information is always available, as it is in the case of Government departments. Scarcely a thing happens in the public service in Ottawa that is not known on the streets the next day. What was gained by attempted concealment? Why in the world should there have been any attempt in the past to hide or cover up the operations of this department of Government, the biggest department that we have and the one that spends most money? In my opinion a great mistake has been made in that connection, and to that mistake we may attribute, to a very large extent, the situation we now find ourselves in.

There is one other fact to which I should like to refer. It has been repeatedly asserted, and I believe it to be a fact, that the people of Canada enjoy railway rates that are in general considerably lower than those provided for in the United States. In view of our excess railway mileage and our total inability, on the average over a period of years, to produce traffic sufficient to enable

our railways to pay their way, I ask you in all seriousness if you are of the opinion that our general rate structure is just and equitable. On this point we must also bear in mind the fact that many if not most of the great railway systems in the United States have passed through receiverships which resulted in the wiping out of hundreds of millions of dollars invested by the public for capital expenditures. Nothing of a similar character has taken place in Canada.

I have so far endeavoured to cite and classify what I regard as the conditions and evils that have chiefly contributed to our existing railway problem. I have by no means exhausted the list, but I feel confident that when I add to it the unwise, extravagant competition that prevailed between our two railway systems during the past few years, but little else of material consequence remains.

Permit me to place this further view before you. The National System at the time of its inception and creation was a hopelessly bankrupt concern. The only difference existing to-day is that, if such a thing is possible, it is now, owing to general economic conditions, more hopelessly bankrupt. The Government, under the pressure of persistent and frequent demands for millions upon more millions to take care of deficits, finally conceived the idea of appointing a Royal Commission, the chief function of which was, after due and proper enquiry, to recommend some plan or scheme whereby the taxpayers of Canada would obtain some relief from the everlasting demands on the public treasury. For the personnel of the Commission, as well as for its work, I have the highest regard. Its report is, and for many years should be, a guide and warning to those who sit in high places. With some if not most of its recommendations I am in entire accord. I cannot, however, bring myself to agree with its suggestion as to the desirability or necessity for the establishment of an arbitral board with powers as set out in the Bill, unless I am assured by the authorities of the Canadian Pacific Railway that such proposal has their endorsement. I have repeatedly asked myself, as I must now ask you, why should the C.P.R. be dragged into this mess against its will? Wherein has it sinned against the people of Canada? To what extent has it contributed to the financial stress and strain of the National System? As a result of the many discussions we had in the Railway Committee I have been gradually but surely driven to the point where I am compelled to hold this view: unless it can be clearly and unmistakably shown that the C.P.R., by the adoption

of policies or by its actions, has in some way gravely injured the people of Canada, or unless it can be similarly shown that the C.P.R. is materially responsible in some manner for the unfortunate financial condition of the National System, it should not be subject to the provisions of this legislation against its will, and while Parliament has the power to pass this Bill, it has no moral or equitable right to do so.

Hon. Mr. MURDOCK: May I ask the honourable senator a question? Could he indicate any other source anywhere throughout the length and breadth of Canada whence there has come so insistent a claim for control and co-operation of the railways as has come from the C.P.R.?

Hon. Mr. CALDER: Yes, the C.P.R. is in favour of co-operation, and that feature I shall deal with very soon. But there is a wide difference between voluntary co-operation and compulsory co-operation as set forth in this measure. In the Railway Committee I said I was in favour of an arbitral board, but the position I took all along in the discussions—and I have had occasion to check up the record—was this: Yes, I am in favour of the board, I am in favour of having disputes settled, but let me see what kind of board you are going to have, and what its functions, duties and powers are to be, before I place my stamp of approval on it. In the Committee not only did I not approve of the principle contained in this Bill, but I always expressed the greatest hesitancy about adopting the principle, and time and again I argued against it.

Again I am bound to ask, wherein has the C.P.R. sinned in the way of doing injustice to the people of Canada or creating the present financial condition of the Canadian National system? I say it has sinned in neither direction.

For a moment let us analyse the causes which I have cited as contributing to the situation that exists.

I pass over the depression, the automobile, and the McAdoo Award, and I come to the existence of excess railway mileage. Who is responsible for the condition? The blame can be placed only at the door of Parliament itself. Instead of contributing to this cause, the Pacific Company on many occasions warned governments of the dire results that would eventually flow from the policies contemplated or pursued.

Was the C.P.R. responsible in any way for the creation of the National System? Did it urge upon the Government the taking over of totally bankrupt scrap railways? In the

last analysis was it responsible for the duplication and triplication of railways in various sections of the Dominion? To be fair and just, the answer to all these questions must be no.

As regards duplication I must ask you to bear in mind that wherever it exists it exists only with the formal approval of Parliament, of the Minister of Railways, of the Governor in Council or of the Railway Board. For a period of twenty-five years or more the C.P.R. has not built a mile of railway without having its location endorsed and approved by the Railway Board. We talk as if the C.P.R. were a great sinner in this respect. Such is not the case. We must not hold that view. I repeat, for a period of twenty-five years the C.P.R. has not built a single mile of railway without having the full approval of the Government of Canada through its Board of Railway Commissioners. Why, then, should we place any blame at the door of the C.P.R. for anything that has happened in this respect?

Hon. Mr. CASGRAIN: What about Lucerne? Did the C.P.R. have the approval of the Government in that instance?

Hon. Mr. CALDER: You mean the hotel?

Hon. Mr. CASGRAIN: If you do not know, do not tell.

Hon. Mr. CALDER: I do not mind interruptions, but I should like them to be to the point. Surely if these are the facts, as I believe they are, the C.P.R. cannot be held responsible in the slightest degree for the one dominating factor that has contributed to the largest extent in the drain upon the public treasury.

What have we left? Only the elements of National management and budgeting, and competition. I am sure that no member of this Chamber would venture to express the opinion that the Pacific Company should be held responsible in any manner for either the financing or the management of the National System. If mistakes were made in either or both of these fields, no blame whatsoever can attach to the C.P.R.

There remain only the happenings of what I may refer to as the period of keen rivalry and competition. We all know now what actually took place. Year after year the Parliament of Canada almost blindly placed at the disposal of the National System vast sums of money, which were largely expended wastefully and extravagantly on extensions, equipment, services, hotels, steamships, radio and sundries. Having the wherewithal in hand, the C.N.R. management gradually assumed the role of an aggressive, militant rival for traffic,

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prepared to go the limit in an effort to secure business from its rival. And what, under the circumstances, did Parliament itself do? What evidence have we that it interfered to any material extent? So far as I know, it interfered not at all. But what we all do know is that Parliament aided and abetted the crime. Those are strong words, but they are true words, and every member of this Chamber knows they are true. I repeat, year after year during these last few years Parliament voted millions upon millions of dollars, placed them in the hands of the management of the Canadian National Railways and simply said, "Go to it! Go to it!" Parliament imposed no proper restrictions on the expenditure of that money. Is the C.P.R. to be blamed for that? Is it to be dragged into this situation because conditions have prevailed for which it cannot be asked to take responsibility at all?

Again I must ask, what part did the Canadian Pacific play in this new situation that arose? Did it suggest to the National System, or aid or encourage it, to inaugurate this orgy of unnecessary, lavish expenditures? Did it directly or even remotely urge the Government to provide the funds required to implement the competitive ambitions of its rival? Again the answer must be no.

What the Pacific System did any other live business institution would do under similar circumstances? It got into the race—and it did so because it was forced to enter. It simply could not stand idly by and permit its rival, by fair means or foul, to steal its traffic, thereby reducing its earnings. Before the Railway Committee Mr. Beatty frankly admitted that during this period the Canadian Pacific made mistakes—that expenditures were made by it that were unwise. However, the broad fact remains that the National System played the tune and led off the merry dance. The Pacific System eventually joined the dance, though it did not originate the merry-making.

But, even so, whose ox was gored? Not the ox of the public of Canada. It was the ox of the shareholders. If anybody suffered it was the shareholders of the C.P.R. Any expenditures made by the C.P.R. did not cost the people of Canada—I am speaking broadly—one dollar. But that is not true of what has happened in the case of the C.N.R. The public had to provide, and did provide, all the funds that were uselessly expended. This is not a Bill primarily intended to check or remedy the errors or shortcomings of the C.P.R. It is not a Bill intended to protect the general public from C.P.R. abuses. This Bill has but one main, definite object—and,

I may say, a very desirable object: its one and sole purpose is to devise ways and means whereby, to the fullest possible extent, economies, may be effected with a view to reducing or eliminating the perpetual drain on the public purse. We all agree with that. We all say: "Good! Go ahead! We want that object effected; we want it very badly. This enormous financial strain on the people of Canada cannot be continued. We must have these economies." I agree—we all agree—with that view. Nobody can take objection to the object, nor to one feature of the method proposed, namely the fullest co-operation between the two systems to eliminate unnecessary, wasteful, extravagant expenditures in the operation of the two systems.

The cry for economy is not new. For upwards of two years, the world round, in every phase of human endeavour, it has been a case of, "We must economize if we are to continue to live." What has happened in this respect within the circles of our two great railway systems? Have they been slow or negligent in this respect, or, on the contrary, have they called a halt to the ills of the past? Here are the figures that clearly indicate what has taken place and is actually taking place by the separate action of the two companies, and entirely without the assistance of this Bill or any section or clause thereof. During the year 1932 the management of the National System reduced its operating costs from those of 1928 by \$100,000,000—some 39 per cent.

Hon. Mr. CASGRAIN: Deficits?

Hon. Mr. CALDER: Savings in operating costs. I repeat that in one year, 1932, the Canadian National Railways management, of its own volition, effected economies whereby the operating costs have been reduced by \$100,000,000 as compared with the operating costs for 1928.

Hon. Mr. CASGRAIN: Is that not due to the fact that the Canadian National was not doing much business?

Hon. Mr. CALDER: It is only partially due to that fact.

Hon. Mr. BALLANTYNE: What is the comparison with 1931?

Hon. Mr. CALDER: I have taken the two extreme figures. In 1931 the reduction in operating costs may have been \$75,000,000; in 1930, \$60,000,000. But you cannot effect great economies suddenly. Once more I repeat that as a result of economies practised during this period of four years the National Company reached a point where in 1932 it spent for operation \$100,000,000 less than it did in 1928.

Hon. Mr. GILLIS: Does that include the entire system?

Hon. Mr. CALDER: The entire system.

Hon. Mr. GILLIS: Can the honourable gentleman tell us what the deficit was?

Hon. Mr. CALDER: I have not the figures before me.

Hon. Mr. LITTLE: Could the honourable gentleman give us the figures of the operating revenue and the expenses?

Hon. Mr. CALDER: I have not the figures before me, but they are very easily ascertainable. They are in the report of the Commission.

Hon. Mr. MacARTHUR: Has the \$1,000,000 a week been overcome up to now?

Hon. Mr. CALDER: No. Far from it. I shall come to that in a minute.

What was the position of the C.P.R. with reference to operating costs? In the very same period, the year 1932, the reduction of operating costs by the C.P.R. was \$83,500,000—about 46 per cent. This is a matter in which my honourable friend from Parkdale (Hon. Mr. Murdock) has a very deep interest, and I certainly sympathize a great deal with the position he takes. This saving is not brought about without affecting to a very large extent what is ordinarily referred to as the human element in the situation.

This year, according to all that I have heard, the Government of Canada will be called upon to provide, by taxation or otherwise, approximately \$50,000,000 to take care of the C.N.R. deficits, but if the C.N.R. management, without this law at all, had not already effected these huge economies, the Government in the year 1933 would have had to provide \$150,000,000.

With these facts and figures before us, the Senate should not be stampeded. The necessity and the urge for economy exist, and have existed in a large way down through the past three years. The figures I have quoted clearly indicate that. We need not think for one moment that the management, the directors and the shareholders of the C.P.R., for example, are not deeply interested in this question. We need not think for one second that the C.P.R. does not desire economy, not only for the present, but for years to come. The conditions now prevailing are not going to end suddenly; it will probably be several if not many years before there is a return of such conditions as existed in the years 1929 and 1928 and prior thereto.

But it is argued—and now I come to the crux of the whole situation—it is argued there

is another field within which further and even larger economies may be brought about. Within the two railway systems there exists duplication of railway lines, terminals, equipment, plant, buildings, offices, staff and facilities and services of all sorts. The Bill proposes that within this field the two companies should co-operate to the fullest extent in order to bring about the largest measure of further possible economies. When before your Committee Mr. Beatty stated frankly and explicitly that he welcomed this feature of the Bill and that he and his company stood ready and willing to implement the desire of the Government in this respect. We all remember his words, which he repeated in Toronto and Winnipeg. On the subject of Part III of the Bill, however, there was no doubt as to the stand he took. He is absolutely opposed to all its compulsory features. He said in effect: "We welcome the proposed parliamentary direction that we should co-operate. We ourselves need further economies. We realize that through co-operative effort very large economies can be effected. We wish to have them effected, and we have the will to assist Parliament in this direction to the fullest extent. But," he continued, "when you ask us to place our stamp of approval on Part III of the Bill we simply cannot do so."

Mr. Beatty, in the city of Winnipeg, on the 8th day of this month, when addressing the Canadian Club, gave utterance to his opposition to this feature of the Bill. I quote his exact words, so that you may have before you, and consider, exactly what he said. It was this:

We are prepared to agree to all proper measures of co-operation, but we cannot consent to our property being administered for us, but at our expense, by others. We cannot agree to turning over to an arbitrary body the conduct of our enterprise and the shaping of our policies, when, in the nature of things, the consequences must be borne by the shareholders. The views of those charged with the responsibility of protecting the enormous investment in the Canadian Pacific would not, in these circumstances, prevail. This is not regulation; it is the assumption of complete powers of administration without financial responsibility.

That is his view. He takes it very strongly; his company takes it very strongly; I must presume that his shareholders take it very strongly; and I cannot see my way clear to adopt the compulsory features of this arbitral tribunal without the consent of the Canadian Pacific Railway Company.

After all, Parliament granted certain powers to the Canadian Pacific Railway Company some fifty years ago, and all down through the years that company has exercised those powers, in the main, largely to the advantage of the people of Canada, and the advantage of Canada itself. In the remarks I have

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already made I have asked what injustice the people of Canada have suffered from the C. P. R. in recent years that we should ask Parliament to do this thing to which the company objects. We do it because we are desirous of economy. We all desire that further economies, large economies if at all possible, should be effected in the C.N.R.

Hon. Mr. MURDOCK: May I ask a question?

Hon. Mr. CALDER: No; not for a minute.

In brief, Canada itself is in a hopeless mess so far as the C.N.R. is concerned. I repeat, the C.P.R. had practically nothing to do with placing either Canada or the C.N.R. in that position. I would emphasize that fact. And now, for the sole purpose of aiding the people of Canada to get out of the mess in which they placed themselves, we endeavour to drag the C.P.R. into this situation, against its express will and the express will of its shareholders. I say that so far as I am concerned I cannot see my way clear to go that length. I cannot do it. I think it is wrong. I think it is an injustice.

Hon. Mr. HUGHES: Will that injure the C. P. R. to any extent, and if so, to what extent?

Hon. Mr. CALDER: I shall come to that feature of it.

Hon. Mr. MURDOCK: May I ask that question now?

Hon. Mr. CALDER: Not now.

Speaking for myself, I am forced to state that my judgment will not permit me to subscribe to the doctrine that the compulsory arbitral tribunal, with all its powers as set forth in the Bill, is not a serious invasion of the rights and powers granted by Parliament some fifty years ago to the Pacific Company and exercised through all these years, for the most part, as I have said, to the very great advantage of Canada and its people.

But, it is argued, this feature of the Bill will do the Pacific Company no harm nor injury. It needs economies; it wants economies; and this is the only way in which further necessary economies on a large scale may be brought about. Without the arbitral board the remaining provisions of the Bill will be useless.

With that view I cannot agree. I believe that the greatest possible harm may result to the Pacific System if Parliament adopts this Part III. I further believe that very large economies will be effected by simply permitting the two companies to co-operate on a voluntary basis. With both companies the

need, the desire and the will to effect these economies now exist, and I feel confident they will be effected without the aid of Part III.

I have already shown you the amount of the savings that have been effected by the systems separately in the one year, or over a period of years ending in 1932. The urge for economy exists, the will to economize exists, and when anybody tells me that without this Bill these companies will not co-operate with a view to securing as large further economies as they can possibly secure, I simply cannot accept that statement. I cannot bring myself to believe that it is correct.

Hon. Mr. GILLIS: Why have they not done so in years gone by?

Hon. Mr. CALDER: Why have they not co-operated?

Hon. Mr. GILLIS: Yes.

Hon. Mr. CALDER: The occasion has never existed until recently—

Some Hon. SENATORS: Oh, oh.

Hon. Mr. CALDER: —until the last two or three years. What was the attitude until recent years? There was a period, a comparatively long period, in which the railway companies stood as enemies against each other, prepared to fight each other at every point. We all know the attitude that existed between the management of the old Canadian Northern and the C.P.R. as represented by Lord Shaughnessy. It was a case of fight to the death. But such conditions do not exist to-day. We all know of fights in committees of Parliament, when representatives came here asking for charters for certain lines of railway; of the lobbies that took place, the influences that were set at work. But those days are ended. As my right honourable friend (Right Hon. Mr. Meighen) said the other day in our committee, the entire railway world is in a totally different position from what it was in five years ago. The conditions of the past will never come back; they have gone for ever. We have an entirely new set of conditions, which compel railway companies to strive to do everything conceivably possible in order to save the situation. The bankruptcy of railways the world over stares us in the face. Look at the situation in the United States to-day; look at the situation on the continent of Europe. Point to any section of the world where that condition does not exist. There is none. So it is useless to talk of what has happened in the past. We must talk of the present and take conditions as they are, and I say that conditions as they are to-day are such that the C.P.R. itself is compelled to

proceed to the fullest possible extent to effect the economies desired, and that no compulsion such as provided in this Bill is at all necessary.

But there is far more than the question of economies at stake; in my opinion, a much bigger thing. Permit me to submit to you, before you put your stamp of approval on this feature of the Bill, this other consideration. The honourable senator from Hamilton (Hon. Mr. Lynch-Staunton) brought my attention to this point when he spoke in committee. I had never thought of it at all. Since then I have made inquiries and have become more fearful of what may be, not merely the possible, but the likely consequences of our adopting Part III of this Bill. The Pacific Company in the past has of necessity had to borrow huge sums of money. Where did it get them? By far the greater proportion of its securities—probably 80 to 90 per cent—including its preference shares, its bonds and debentures, and its treasury notes, lies in the vaults of England. It has been the constant, fixed policy of the C.P.R. to place its borrowings as far as possible in that field. On the other hand, the British investor over a period of some forty years has had the greatest confidence in the security of investments in the Pacific Company, and in its sound business management. By this Bill, as I see it, we propose to impair seriously, if not to destroy, that confidence. We should not be led astray by any argument to the effect that the operation of Part III of the Bill can only result in good to the C.P.R. We must not be led away by any such argument. It cannot be disputed that Part III does take out of the hands of its management many matters over which it now has full control.

Hon. Mr. MURDOCK: In whose interest?

Hon. Mr. CALDER: In the interest of the shareholders.

Hon. Mr. MURDOCK: No; the people of Canada.

Hon. Mr. CALDER: Not at all.

Hon. Mr. CASGRAIN: Order, order.

Hon. Mr. CALDER: Parliament has set up a Board of Railway Commissioners that will deal with any injustice that the people may think they suffer in the matter of service or rates, wherever the people are affected by the operations of the Canadian Pacific, and Parliament may add to the powers and duties of the Board in that respect. No; the control to which I refer is exercised in matters concerning the interest of the shareholders, not of the people of Canada. I repeat, Part III

does take away from the Canadian Pacific Railway powers, duties and responsibilities that it has exercised all these years. To this the Canadian Pacific and its shareholders do object, and there is the danger that if this Bill becomes law investors will look very suspiciously upon what Parliament has done. After all, whom are we dealing with? The great bulk of these millions of securities belongs to English people, not to Canadians, and we must remember that the average Englishman, because of his experience and training, looks upon securities and the operation and management of companies in a way entirely different from ours. I say there is the greatest danger that if Parliament passes Part III of this Bill, taking away from the management of the Canadian Pacific certain powers, duties and responsibilities that it has enjoyed in the past, we may destroy the credit of the Canadian Pacific. Is that desirable? Which of these two things is to prevail? Are we, not because of anything that the Canadian Pacific has done, but simply because we may wish to reduce the drain on the public treasury, to injure the Canadian Pacific by interfering with and possibly destroying its credit? Well, I say we should hesitate. I say we should think twice before we take that step, especially as very large savings can, I am certain, be effected by voluntary co-operation, though it may not secure all the economies we desire.

Hon. Mr. GILLIS: May I ask the honourable gentleman a question? Should the shareholders of the Canadian Pacific find that as a result of this legislation certain economies will be effected, would they not be pleased if the value of their securities were thereby increased?

Hon. Mr. CALDER: I dare say they would. But that is not the point. The average investor in the Old Country will not look upon it in that way at all. The average man who makes an investment in a bond or security does so because, in the first place, he has confidence in the company itself, based on its management and past record, and, in the second place, he believes that the company will be able to operate under sane and sound legislation. Let it once be heralded in the English press that the Parliament of Canada is doing what is proposed in this Bill, and what would be the effect upon investors?

Hon. Mr. GILLIS: The effect would be good.

Hon. Mr. CALDER: I do not agree with my honourable friend. I should say it would be the reverse.

Hon. Mr. CALDER.

Hon. Mr. CASGRAIN: May I ask the honourable gentleman a question? I think he is drawing his remarks to a close.

Right Hon. Mr. GRAHAM: That is a suggestion.

Hon. Mr. CASGRAIN: I am not making a speech now. I am merely asking a question, and do not want to prejudice my right to speak later if I desire. Is it not true that the shareholders of the old Grand Trunk Railway were not consulted in 1919, when the honourable gentleman was a member of the Government? He was one of the artisans of the kind of work that he is objecting to to-day.

Hon. Mr. CALDER: No. The two situations were entirely different; and, besides, the shareholders themselves voted in favour of the Government's taking over that road.

Hon. Mr. CASGRAIN: What are they kicking about now?

Right Hon. Mr. MEIGHEN: I do not know.

Hon. Mr. CALDER: There was a very small minority of shareholders who objected.

This Bill was initiated in this Chamber, which in the past has established a general record for exercising sound and sane judgment in dealing with large questions involved in measures that come before it. I do not for one moment contend that all my views are correct, and I do not ask honourable members to accept them in their entirety, if at all. All I have attempted to do is to express my opinions and the reasons why I hold them, and if in any way I have been helpful to any honourable member in reaching a decision on the points now before us, I shall be well pleased. In expressing my views I speak for myself alone, and for no one else. I have not been subjected to any influence whatsoever, either directly or indirectly. I attended practically all the meetings of the Railway Committee, and from the outset I followed its proceedings very closely. I think that as long as I have been in public life I have never before had as much difficulty in arriving at a decision on a question as I have had in this case.

I quite understand the object of the Bill, and I approve of that object. In brief, it is the securing of economy. We all want that. We are sick and tired of the existing drain on the public purse, and we hope that the day will come, and is not far distant, when that drain will cease. For myself, I cannot see immediate relief; at least I cannot see sufficient immediate relief to stop the drain.

It may be reduced, but I think it will be many a long year before it entirely ceases.

I have one further objection, of a negative character, to the Bill. That is, I have an objection because of something that the Bill does not contain. In the course of my remarks I have endeavoured to point out, as I did in the Railway Committee, what I regard as a situation that has contributed very largely to the present state of affairs. That is what I may call, in the first place, the lack of proper budgeting, and, in the second place, the lack of proper consideration by Parliament of the budgets presented. I am sure that all honourable members of this House who have been members of the House of Commons and have watched proceedings there over a period of years will agree with me when I say that, generally speaking, the members of that House, and in some cases ministers of the Crown, do not clearly understand what they are doing on these railway matters. I say it advisedly. I have been there; I have gone through the experience. I say that the Parliament of Canada has not the opportunity properly to digest, consider and adjudicate upon the budgets that come before it. Now that we are attempting to correct the abuses and the shortcomings of the past, I say that at some place in this Bill an attempt, at least, should be made to better conditions in this respect. I know it will be difficult to do so. After all, we have democratic institutions, and all democracies make mistakes, sometimes great mistakes. As for some of the things to which I am referring, it is quite possible that we could not effectively provide against them in the Bill; but I do believe there is sufficient ingenuity among the members of both Houses of Parliament to devise some checks and control that will totally prevent the recurrence of what has happened in the past. We have not time to deal with that feature here, but I trust that when the Bill passes to the other place some member or group of members will take this view of the situation and endeavour to prepare some clauses that will check and control things of the sort I have in mind.

Let me give you an illustration of something that could be done, though I am not sure that it could be provided for in the Bill. When a municipality, board of trade, group of politicians, or any other body asks the Canadian National Railways for something which, if granted, would mean a capital expenditure, would it help to prevent the recurrence of what has happened in the past to have a law requiring that every such application must be in writing and bear the signatures of the

applicants? Had such a provision been in effect in the past, would so many requests have been made? I doubt very much that if the law had demanded that the name of every person who joined in such an application should be made public, the Canadian National would have made certain capital expenditures that have been made. However, it is quite conceivable that it may not be possible to go very far in making provisions in the Bill along this line.

Honourable members will no doubt have inferred from my remarks that I would conclude with an amendment. I now move, seconded by the honourable member from North York (Hon. Sir Allen Aylesworth):

That all the words after the word "be" to the end of the motion be left out and the following substituted therefor:

amended by striking out Part III, subclauses a, and b and h of clause 3, and the reference to Part III in subclause 2 of clause 2.

The effect of that would be to strike out Part III and the references to Part III elsewhere in the Bill.

Hon. Sir ALLEN AYLESWORTH: Honourable members, I wish to second the motion of the honourable member from Saltcoats (Hon. Mr. Calder), and to say a few words in support of my position in doing so. I speak on this subject with very great hesitation. I confess myself to be, in my own judgment, but little competent to discuss a matter of this nature and of such importance. But I feel very strongly on the question of the propriety of Part III of the Bill now before the House, and it is, I take it, my humble duty to explain to my fellow members, as best I can, my reasons for opposing the adoption of that part.

With regard to other parts of this Bill, I wish to say but a word. I have followed with all the care I could the proceedings of the Committee which has had this Bill under consideration, and I would say only this, that I, at any rate, am not able to suggest any improvement upon the work of that Committee so far as Parts I and II of this Bill are concerned. May I say that in my opinion the Committee well deserved the compliments that were interchanged among the leading members at the conclusion of its labours.

But the position with regard to Part III of the proposed statute seems to me entirely different. I have asked myself many times, while reading the proceedings before the Standing Committee, and thinking over what it was doing during the last three months, what reason there was for needing the work of such a special and unusual kind of tribunal as that which is proposed to be set up by Part

III. It is, I take it, plain that there was no need of any such tribunal so far as the National System is concerned. That system, in substance, is owned by the people of Canada; there are no other stockholders. The people of Canada, speaking by their representatives in Parliament, control the whole undertaking of the National System, just as ordinary shareholders control the management of their own property in the case of any private company. Apart altogether from the legislative jurisdiction over the National Company possessed by the Parliament of Canada, there is that absolute control which shareholders have over the property and management of any company in which they own the majority of the stock. Accordingly, there was no need of any special arbitral board to control the Canadian National lines. The management must obey any mandate that Parliament chooses to express. So these clauses of Part III can be needed only for control of the competing company, the Canadian Pacific.

Now, I ask myself, is that a fair plan? I should be inclined to go, and I venture to go, a step further and express the opinion personally that it never was fair play to the Canadian Pacific to have set up as a competitor the whole people of Canada in possession of the Canadian National lines. I should like to adopt, and make them my own, the sentiments expressed in that respect by Mr. Beatty, the president of the Canadian Pacific Railway, in a speech delivered by him to the Canadian Club of Toronto on the 16th day of January last. He said:

We have set up a railway system owned by the State in competition—at times unrestrained and severe competition—with a privately owned company—apparently under the delusion that competition of that kind could contain any elements of fairness or equality. Can the State compete fairly with a citizen of the State? Most assuredly it cannot. Can a private company compete on anything like fair terms with a railway system backed by the long purse of the State? Again, it cannot. Should the 180,000 security and share holders of the Canadian Pacific see their honest investment, based on confidence in Canada and its Government, menaced by such competition, even if the credit of the country could sustain, which it cannot, the losses incident to that system of administration of a great public utility? The answer again must be no.

I can only say that those are my sentiments, and I wanted the opportunity to put them upon record here.

Next I should like to point out who are the shareholders of the Canadian Pacific Railway, or at least indicate in a general way their distribution. I have in my hand a copy of, I think, the latest annual report of the Canadian Pacific Railway Company, the report for

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the year ended fourteen months ago. It is issued as of March, 1932. The statement is made that the holdings of ordinary and preference stocks of the Canadian Pacific Railway Company in December, 1931, were distributed in this way, as shown in the schedule: Of the total holdings of ordinary and common stock of the company sixty per cent—three-fifths of the property—were then held by shareholders resident in the British Empire outside of Canada. Those are men, women and children who have no representation in the Parliament of Canada, no one to rise and speak on their behalf. Canadians own less than fifteen per cent. It is only that comparatively small percentage of the shareholders of the Canadian Pacific who by their own representatives have a voice in this Parliament.

Does it not behoove us, then, to look the more jealously and carefully after the interests of those people who, to so large an extent, have contributed to the building up of this company? The Canadian Pacific Railway as an institution in this country is just as much a part of the federal compact as the Intercolonial Railway. The Intercolonial was built by the people of Canada. The Canadian Pacific Railway was built by private individuals out of money they had, or were able to raise, but it was built as a condition of the entrance into Confederation of British Columbia, just as the Intercolonial, as a part of the federal compact, was built for the benefit of the Maritime Provinces. The Canadian Pacific Railway to-day, and its shareholders, wherever they may be resident, are entitled to just as great a measure of fair play at the hands of the Parliament of Canada as is any citizen of this country, or as is the whole country combined in its ownership of the Canadian National System. To my mind the shareholders of the Canadian Pacific are not getting that measure of fair play at all if you subject them to the control of this arbitral board which Part III of the Bill sets up.

I have tried to indicate why it seems to me it never was a fair thing on the part of the Parliament of Canada to set up a competitive undertaking as against the Canadian Pacific Railway. If you not only establish such an undertaking, but insist on the continuation of the competition, you are perpetuating the evil, and, in my humble judgment, attempting to have something done which humanly is not possible.

In trying to realize in my own mind the present situation as between the two competing concerns, I cannot think of any better illustration than that of a couple of school-boys struggling in some athletic competitive effort. Suppose you have two boys engaged

in a wrestling match who at the start of the contest are fairly evenly matched. One of them happens to be the schoolmaster's son. The schoolmaster is necessarily the umpire. The wrestling goes on until the schoolmaster's boy is apparently not making much of a success in the struggle, and is even showing signs of being tired out. Then the master interferes and takes each boy in hand. He says to them: "You two must keep up this competition. It is essential. You have to go on with the struggle until even your last breath. But to make this a little fairer I am going to change the rules. You have got to co-operate; that is to say, each of you must help the other as much as he can. I can handle my own boy: he is mine. As for you"—turning to the other boy—"I think it would be better to tie one of your hands, if not both, behind your back; then you must go on with the competition."

Some Hon. SENATORS: Oh, oh.

Hon. Sir ALLEN AYLESWORTH: Well, that seems to me to be exactly the situation that will exist if we pass Part III of this Bill. Undoubtedly it is going to hamper the operations of the Canadian Pacific management. It cannot hurt the National Railways, because that road, with all its works, is already under the control of Parliament—practically of the Government. No matter how many trustees or directors you appoint, Parliament, or rather the House of Commons, holds the purse strings, and they cannot get a penny of money to spend on any of their proposals unless Parliament chooses to give it to them. So Parliament already controls the National Company to the fullest extent.

What will the clauses of this Bill do in the establishment of this tribunal so far as the Canadian Pacific is concerned? Well, to the best of my power I have given honest consideration to the clauses in order to try to make up my mind as to how far they go. The language is so general, so wide, that for my part I certainly am not able to form an opinion. But I should like to state, because to me it is a part of the trouble, just one thing that occurred to me as I was on the train Tuesday afternoon. From Toronto to Belleville the tracks of the two lines, the National and the Pacific, are side by side for mile after mile; nothing whatever between the two rights of way except the boundary line. But one of those two roads is double-tracked, and the other is not. Suppose the Canadian Pacific Company, which at present has only a single track between Toronto and Montreal, wanted to double-track. It says, "We have the money, or we can raise it, and we intend to double-track our road so it can

compete on even terms with the National." That might be made a matter of dispute, and therefore referable to this arbitral board if you set it up. I cannot tell definitely, but I think from the language of this Bill there would be ample room for the opinion that in those circumstances, if the Canadian National Railway or its management did not feel disposed to agree to the Canadian Pacific Railway double-tracking its road between Montreal and Toronto, the arbitral board, through the Chief Commissioner, could veto the "proposal" and say, "No, we will prevent you."

Even if that opinion is not correct in the instance I have given, there are certainly many cases in which the Chief Commissioner would have that power of veto. Is it not one of the greatest handicaps under which any railway company could be placed? If you take from it the dominion over, and the control of, its own property, are you not in substance expropriating for the general benefit of the people of Canada the property of the Canadian Pacific Railway Company? It would certainly seem so to me, and I liken the situation to the nearest parallel I can think of at the moment—the position that any ordinary farmer would be in, supposing he were competing with his neighbor, as of course every farmer must be, and the legislature chose to say with regard to his farm: "The owner shall no longer have the right to decide what crops he will plant, or how he will run his farm; but a judge, or the sheriff, or some impartial third person, shall do the deciding and shall tell him whether he is to plant his farm in wheat or is to turn it into a dairy farm or to grow cabbages or onions." The moment such legislation is enacted, the value of that piece of land is lessened, not merely in the hands of the landowner at the time of the passing of the legislation, but in the hands of any possible future owner or possessor. As a piece of property it is not worth as much as it was when the owner had absolute dominion over the uses to which he should put it. That is simply partial expropriation.

If the people of Canada are advised to expropriate the whole undertaking of the Canadian Pacific Railway, of course they must pay for it. That is the general law; that is natural justice. Is it any the less natural justice, whether or not it is within the four corners of the Expropriation Act, that if you are going to lessen the value of the Canadian Pacific Railway undertaking for the benefit of the general public of Canada you ought to pay compensation? I urge that it is no less natural justice, and I respectfully submit that the passing of this Bill with Part III included, or the taking away of the control and manage-

ment of their own property from the shareholders and directors of the Canadian Pacific Company, is in substance an expropriation pro tanto of the property of those men, and ought never to be permitted unless fair and proper compensation is paid for the depreciation which will ensue.

Those, in brief, are some of the reasons why I certainly feel entirely unable to support any such arbitral—I almost said arbitrary—tribunal as the one which this Part III of the Bill creates.

I want to say merely one other word. Everybody, I suppose, agrees in the opinion that the present Chief Commissioner of the Railway Board, who is to be the arbitrator, is in every way a superior man; that there could not be found any better man to be named as chief arbitrator or controller under the provisions of this Bill. But we are legislating not merely for to-day, but for untold time in the future. Who knows how long the country may have the services of the gentleman who is now the Chief Commissioner? Who knows who his successor may be? Or, I might add, who knows how fit that successor may be to discharge these duties?

Hon. JAMES MURDOCK: Honourable senators—speaking to the amendment—I yield to no member of this House nor to any man in this country in my respect for the achievements and prestige, and the hopes for the future, of the great Canadian Pacific Railway. Even so, I regret more than anything else that I have experienced in many moons the discussion that has developed this afternoon on the amendment proposed by the honourable senator from Saltecoats (Hon. Mr. Calder). It seems to me that the amendment as proposed and the discussion that has taken place on it have raised issues of far greater importance than any question affecting the railway situation of Canada.

Let us for a moment talk of the railway situation. Much has been made of it by all classes of Canada's citizens during the past few months, even the past few years; and very properly so. There has been an enormous—yes, I think it might be said to be an unnecessary and unfair—financial exaction from the Canadian people by reason of the railway situation. But is the condition of the railways in Canada to-day any worse than that of the great agricultural industry, which is so important to Canada, or of the great paper industry, the great lumber industry, the great fishing industry, and many other industries that I might enumerate, which are of equally great importance to Canada? No. The railway situation appeals to us because we

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regard it as imposing upon the Canadian people an unduly heavy load, a charge of \$1,000,000 a week, and because we want, through the exercise of business judgment and reasonable and proper economies, to stop the loss of \$1,000,000 a week from the pockets of the Canadian people. That point of view is altogether commendable.

I sat for a number of weeks in the Railway Committee of the Senate of Canada without being informed that the situation really involved some questions I know nothing of, and that, more important than the desire of the Canadian people to reduce the operating costs of the Canadian railways and secure economies, there was another consideration, namely, the idea that some great industry or public utility was to be regarded as "holier than thou," and as untouchable, even when the interest of the Canadian people was involved. I know that for many years it has been said that the Canadian Pacific Railway made and unmade governments, and dictated government policies, but never until this afternoon had I heard such a complete exemplification of the beliefs of certain distinguished gentlemen in that respect. Again I say, I give place to no man in my respect for the Canadian Pacific, past and present, and my hope for its future, but if that is the issue now, let us deal with it and find out whether or not the Canadian Pacific is in such a position that in the interest of Canada's ten million citizens it may not be controlled or in any way prevented from following its own sweet will and doing whatever it wishes.

This afternoon we heard our good friend who does not like to be questioned, and who has left the House, express what to me seemed very peculiar views. I am going to try to deal with some of them. First he touched upon a question that is close to home: he spoke of the McAdoo Award as one of the causes of the present situation. All right, let it go at that. Let us admit that. Who, may I ask, gave effect to the McAdoo Award in Canada? The honourable gentleman was a member of the Cabinet that passed Privy Council Order No. 1768, from which I quote the following:

and it further appears that the railway companies are of the view that the wages paid railway employees in Canada ought to be the same as that adopted in corresponding territories in the United States, as the class of work is the same in both countries. That there is a large interchange of traffic, and that as a result, many employees work in both countries; and on the further grounds that different organizations are international in their scope, and that heretofore, the wage scales in both countries have been relatively the same.

In the same Order it was ruled:

That the scale of wages of railway employees as fixed by the McAdoo Award in United States territory, including any amendments or extensions thereof, be applied in Canadian territory, in so far as all lines of railways owned, operated or controlled by the Government, are concerned.

But now comes the gem of Privy Council Order 1768, issued on the 16th of July, 1918—what appears to be the gem when we recall the considered arguments presented by the honourable gentleman this afternoon. In July, 1918, he and his associates said:

That the wage scales of privately owned railway companies in Canada should be similarly advanced.

Why, I ask, in the light of this dictation or suggestion to the great Canadian Pacific Railway by the members of the Government in power in 1918, is it entirely improper to suggest to it in 1933 that in the interest of the Canadian people just a little control may be needed? That it is entirely improper is what we are asked to accept and swallow to-day.

Hon. Mr. CALDER: Will my honourable friend allow me?

Hon. Mr. MURDOCK: No.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. MURDOCK: There is nobody who fears questions much less than I do, but what is sauce for the goose is sauce for the gander.

Hon. Mr. CALDER: Honourable members, I rise—

Hon. Mr. MURDOCK: Will my honourable friend kindly sit down?

Hon. Mr. CALDER: I rise to a question—

The Hon. the SPEAKER: The honourable gentleman, I understand, rises to a point of order.

Hon. Mr. CALDER: I rise to a question of privilege.

Some Hon. SENATORS: No, no.

Hon. Mr. CALDER: I understand it to be the rule of the other House that a member may rise to a question of privilege at any time.

Hon. Mr. CASGRAIN: Not during the discussion.

Hon. Mr. CALDER: Is that the rule of this House? I should like to have a ruling on that.

Hon. Mr. MURDOCK: Proceed. I should have let you do so before. I am sorry.

Hon. Mr. CALDER: I waited until the honourable gentleman had completed his statement and was about to start another before I asked the privilege of correcting him. What I said was this, that it had been stated, by those who should know, that the McAdoo Award as adopted in Canada had increased the cost of materials, wages and maintenance.

Hon. Mr. MURDOCK: Everybody admits that.

Hon. Mr. CALDER: That is all I said. Why all the excitement? I am not denying at all that that was done, and the honourable gentleman should not attempt, I think—

Hon. Mr. MURDOCK: The honourable gentleman made his speech. Will he please let me make mine?

Hon. Mr. CALDER: Do it fairly.

Hon. Mr. MURDOCK: I know it is a favourite pastime of some gentlemen who want to tickle the ear of the unknowing public to refer to the McAdoo Award and such things; in other words, to place the onus on the victim. That has been the policy and procedure of many distinguished gentlemen throughout Canada for a number of years, and it will do no harm to give the real facts of the case. That is the only object I have in view.

Hon. Mr. CALDER: My honourable friend has just admitted that what I said was true.

Hon. Mr. MURDOCK: That is all right, and we will let that point pass.

Now, our honourable friend went on at considerable length. Let me see if I can quote his language. He was altogether opposed to Part III of this Bill that we now have under consideration. And here and now, perhaps, I should make the confession that in the Senate Committee I moved a couple of motions, maybe more, one of which was to substitute for the Arbitral Tribunal the Board of Railway Commissioners. I was opposed to the Arbitral Tribunal as then proposed. Another motion that I made was to substitute for the tribunal an arbitration board, to be chosen in the way in which such boards are usually chosen. I was firmly of the view that such a board would be preferable to what was proposed in Part III of the Bill. I have since changed my mind absolutely, because this afternoon the honourable gentleman raised an issue much larger than anything involved in the discussion heretofore. I repeat this because the honourable gentleman was not in his seat when I stated it before. The question now is whether a very important, big public utility, which, it has been charged, has

been able to make and break governments and has been functioning and doing business for forty years or more, is above the law; whether, indeed, to put it in the parlance of the street, the tail can wag the dog; or whether the Canadian Pacific Railway can dictate terms to the Canadian people—yes, to the Senate and to the Parliament of Canada. If the Canadian Pacific Railway or any other industry that is dependent for its revenues and welfare on Canada and the Canadian people is to be considered untouchable and unapproachable because of this, that or the other thing, the time has surely come for us to have a reckoning with ourselves.

On the sixth day of this month I listened to a very sympathetic and impassioned address by the dean of this Chamber (Hon. Mr. Poirier), and at the time I thought that some of his remarks were far-fetched, based on a mistaken view of the facts, and out of place as utterances either in the Senate or elsewhere in Canada. I want to quote a couple of paragraphs from his speech and to admit frankly that maybe I have not as sound a grasp of certain affairs as he has. These words of his will be found on page 207 of the Debates of the Senate:

The murmur that reaches Parliament from the streets is now subdued, for things have not come to a crisis, and the dole appeases the hunger of the multitude. But when the public treasury is exhausted and the dole is no longer forthcoming that murmur will change into a malediction. Harken to the suppressed rumble! It comes from gatherings of unemployed from Victoria to Sydney, from prisons like Portsmouth, St. Vincent de Paul, Dorchester—from everywhere. And what will happen, what can happen, if the rabble, so-called, run amuck and break all restraints? Remember what happened in France during the Revolution of 1793. Look at what happened in Portugal not so long ago. Look at what is happening to-day in Russia, in Spain, in Mexico. The Czar of all the Russias, the grandees of Spain and Portugal, the clergy of Mexico, once all-powerful, were scattered like dry leaves in a hurricane when the people rose in anger.

When I heard the honourable gentleman make that statement to the House the other day I thought he was unduly alarmed and that there was no danger that anything of the kind he referred to would happen in this country so long as we maintained our courage and general decency of conduct. But now that an honourable member of this Chamber has told us that some great industry, simply because it has the control of millions, is bigger and more important and worthy of more thought than the Canadian people and Parliament, I feel that the dean of the House was not in advance of his time when he spoke the words of warning that I have quoted.

Hon. Mr. MURDOCK.

Hon. Mr. CALDER: Mr. Speaker, I desire to say that I said no such thing as the honourable gentleman attributes to me, and he has no right to put into my mouth words that I did not utter.

Hon. Mr. MURDOCK: I will leave that question to be decided by all who heard the honourable gentleman. What he said is on the record. The honourable gentleman repeatedly implied that there should be control of the Canadian National, but that the Canadian Pacific must not be controlled. And why? We must not interfere with the vested rights of that great public utility, because for forty years the company has been a household word of pride and admiration in this Canada of ours. For that reason, regardless of the great necessity for economy in railway operations, the Canadian Pacific must be the untouchable.

Hon. Mr. CALDER: Mr. Speaker, I simply must not allow the honourable gentleman to place in my mouth words that I never uttered. I said in this House—

Hon. Mr. MURDOCK: Will the honourable gentleman leave it to the record?

Hon. Mr. CALDER: I am not going to allow you to place such statements on Hansard.

The Hon. the SPEAKER: Is the honourable gentleman rising to a point of order now?

Hon. Mr. CALDER: I am rising to a point of order. The honourable gentleman has no right to charge me with making statements that I did not utter. When this Bill was up for second reading I said distinctly that Parliament had the right to interfere in any way that it pleased with vested interests. And I went further than that; I said—I was speaking at the time on the question of interfering with vested rights generally—that whenever any railway company—

Hon. Mr. MURDOCK: Is this another speech?

Hon. Mr. CALDER: It is not. I rose to a point of order, and I am going to ask His Honour the Speaker to make a ruling. I say the honourable gentleman has no right to attribute to me opinions and utterances that I have not expressed. In fact, I made a statement contrary to what he says I made. I said that Parliament had the right, and should exercise it, to interfere whenever a private corporation did anything to the public injury. We all know that Parliament has

interfered. Why have we a Board of Railway Commissioners? Parliament has taken from the Canadian Pacific Railway and other companies vested rights that they had—

Hon. Mr. MURDOCK: My honourable friend talked for one hour and forty minutes, and he has now had another five minutes. Is he through? I have the floor, and I am prepared to stand by what I say.

Hon. Mr. CALDER: Be fair; that is all I ask.

Hon. Mr. MURDOCK: The honourable gentleman continually insisted to this House that there must be economies, that there must be control, but all the way through his remarks there was the intimation that the great C.P.R. must not be controlled, that it must have an absolutely free hand to do as it sees fit. In other words—

Hon. Mr. CALDER: Mr. Speaker, I rise again to a point of order, and I ask for a ruling. I have objected that the honourable gentleman has no right to attribute to me words and opinions that I have not uttered in this Chamber, yet he continues to do so. I say decidedly that I did not express to this House the opinion that Parliament should say to the C.P.R., "We will not touch you, because you do not want us to." On the contrary, I say that Parliament has the full right to interfere, and should exercise that right, whenever the Canadian Pacific does a wrong to the people of Canada. The honourable gentleman has no right to charge me with words that I have never uttered; but, apparently under the impression that he has such a right, he persists, and I think, Mr. Speaker, that you should stop him. I ask for a ruling, Mr. Speaker.

The Hon. the SPEAKER: Any denial by an honourable gentleman must be accepted. I understand that the honourable senator from Parkdale (Hon. Mr. Murdock) is giving his own interpretation with respect to a speech that has been delivered, but he cannot go so far as to attribute to another honourable member words that that honourable member denies having said.

Hon. Mr. MURDOCK: I am greatly gratified to have the honourable gentleman so promptly put us all right as to what he meant.

The amendment that he fathered proposes to do what? To put into the hands of the Canadian people a stuffed club to be used in controlling our great transportation services and securing economies. If the amendment carries and Part III of the Bill is stricken out, we shall have to say to the Canadian Pacific:

"Please, now, come let us reason together and bring about economies. Please do not do certain things." Should the Canadian Pacific reply, "We are going to do those things," there would be no way to stop them, even though it were desirable to do so in the interest of the people; and if that company were wrong or unfair in its attitude—supposing that to be possible—it could not be brought to task. Is that what the Canadian people are looking for? I doubt it very much.

I shall be very much interested to read the speech that the honourable gentleman has made this afternoon, for I really feel that the issue now is whether the Canadian Pacific is in the untouchable class. Thousands—I do not think I should be exaggerating if I said millions—of people in Canada have thought for years that it is in that class. If I may make a confession here, I will admit that I voted in a federal election before I was twenty-one years of age. At London, Ontario, a very distinguished citizen was running on the right side of politics, and though I was just an ordinary, rough fellow, a rig was provided to rush me to the polls so that I could mark my ballot.

Some Hon. SENATORS: Shame.

Hon. Mr. MURDOCK: Does someone say "Shame"? I admit it.

Hon. Mr. McMEANS: Two dollars and costs.

Hon. Mr. MURDOCK: But why was it done? It was part of the "untouchable" campaign that was carried on down through the years. I am not criticizing it; I am merely stating the fact. I will fight just as long as will the honourable gentleman from Saltecoats (Hon. Mr. Calder) for fair treatment for that great public utility, the Canadian Pacific Railway, but I say that anyone is making a great mistake who undertakes to set that company above the people and Parliament, and to nullify the weeks of labour that the Senate has spent in trying to prepare a Bill that will bring about real economies. Mistakes of that kind, if many of them were made—I do not think there will be many of them—are the very things that would bring about the conditions against which the honourable gentleman from Acadie (Hon. Mr. Poirier) warned us.

Last night someone asked me if I was going to make a speech on the Railway Bill, and I said I hoped not, but I did not know. I should have preferred not to speak. But yesterday, I am told, this note was sent to the gallery from the floor of the Senate:

The fight will be on the third reading. Tear up.

The note was torn up, but someone got it, pasted it together and brought it to me. Well, the fight is on the third reading. I have heard it said that not only is there this plan to try to mutilate the Bill and make it non-effective, to make it a sort of stuffed club in the hands of the Canadian people, but that if that plan fails there will be an attempt to give the Bill a six-months hoist. Now, no senator represents as many as I do of the individuals who are going to make sacrifices on account of this Bill. Thousands of railroad men are walking around, through no fault of their own, with nothing to do.

Hon. Mr. POPE: And a lot of others, too.

Hon. Mr. MURDOCK: They were drafted into the railway game, in thousands of cases, through the ill-considered building of this, that and the other line at the expense of the Canadian people. And now that the thing has blown up, those individuals are cast adrift, to shift as they may. If Bill A, or any other measure, is going to bring about real economies in the railway game of Canada, there will have to be many more sacrifices made, and they will be borne largely by the rank and file, many of whom have given the best years of their life to the railway service.

There is a real necessity of doing something here that will insure co-operation for the purpose of effecting economies, and if they cannot be secured by voluntary co-operation there ought to be some compulsory means of settling differences between the companies. The honourable gentleman from Saltcoats (Hon. Mr. Calder) has told me that I misunderstood him this afternoon. I distinctly drew from his remarks the conclusion that if the Canadian Pacific Railway—this great public utility, which has been holding vested rights in Canada for over forty years—insisted, for instance, on taking over the passenger service between Montreal and Ottawa, or the “high-ball” passenger service between Montreal and Toronto, no one should say it nay; no one should go so far as to tell it that it was not justified in doing that. It must not be told that, because it is in the “holier than thou” class. It is time that the honourable gentleman, and others who are like minded, divested themselves of those ideas and realized that the rank and file of Canadian citizens are looking at things through different spectacles to-day, that most of them are willing to play the game and are sick and tired of this never-ending catering to the rich or nearly rich, and the big fellow. There has been too much of that sort of thing in the past. Of course, I am not making any charge against my

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honourable friend in this respect. But I can tell him this, that he made one real convert to-day, when he convinced me that it is high time to put into effect Part III of the Bill as it was brought into this House, in order that some of the real economies that Canada's welfare demands may be brought about; if possible, through co-operation and good feeling between the responsible officers of both railways, but if that is not possible, then through compulsion on the order of a tribunal.

Hon. F. B. BLACK: Honourable senators, I am moved to make a few remarks on this amendment, not, I am sorry to say, because I am in complete accord with any of the addresses made by the three honourable senators who have preceded me. With a great deal of what the honourable member for Saltcoats (Hon. Mr. Calder) said I agree entirely, and I accept his recital of the conditions that have brought our railways into their present chaotic state.

I am not a member of the Railway Committee, but I attended as many of its meetings as I possibly could. When I first read the Bill I was opposed to Part III, providing for compulsory arbitration. It seemed to me that it was a dangerous principle and that by introducing it we might do certain things which, as legislators, we ought not to do.

May I also say that I am not a public ownership man. The history of the operation of public utilities in Canada clearly demonstrates the fact that under private control they succeed, whereas under public control they fail. I do not think any honourable member can cite a single public utility controlled by the Federal Government or by a provincial government that has been a financial success. But public ownership is not the question before us to-day. As a matter of fact the trend of public opinion, as expressed by our legislation, is entirely along the line of government control of public utilities.

I pay very great deference to the great legal attainments of the honourable seconder of the amendment (Hon. Sir Allen Aylesworth), but I can not fully share his views with respect to the manner in which Part III would adversely affect investors in private companies. What are the facts of the case? Canada has already declared for government control of public utilities. All railway, telegraph and telephone companies operating under a Dominion charter are subject to the jurisdiction of the Railway Commission; those operating under a provincial charter are subject to the jurisdiction of a public utility commission. I am advised that even the radio system is to come under similar control. The

Canadian Pacific Railway and every other railway declared to be "for the general advantage of Canada" are subject to the provisions of the Railway Act; in other words, they are controlled by the Board of Railway Commissioners; and, after all, the regulative powers of the Railway Commission do not differ in principle from the powers with which we propose to clothe the Arbitral Board to be set up under Part III of this Bill. Therefore I do not share that feeling of "Hands off!" which has been so energetically expressed by the honourable mover (Hon. Mr. Calder) and the honourable seconder (Hon. Sir Allen Aylesworth) of the amendment. We are simply going just one step further. In my opinion the only justification for doing so is the very serious present condition of the railways of Canada, regardless of what the railway condition may be in other parts of the world.

It is all very well for us to say to ourselves—and I said it to myself several times during the sittings of the Railway Committee—that we are taking a further step towards interference with private enterprise. We are; there is no question about that. In part, we are going to interfere with the rights of the stockholders of the Canadian Pacific Railway Company. Are we justified in doing so? Personally, I have come to the conclusion that if we are not justified this Bill should never have been submitted to us. I have considered the Bill very carefully, and I have reached the opinion that without Part III it is useless.

Some Hon. SENATORS: Hear hear.

Hon. Mr. BLACK: I submit that the time spent by the Duff Commission and by the Railway Committee is simply wasted unless Part III is passed as an integral part of the Bill.

Some Hon. SENATORS: Hear hear.

Hon. Mr. BLACK: The honourable seconder of the amendment gave an illustration of two schoolboys engaged in a wrestling match. Is it not a fact that the National Railway and the Canadian Pacific Railway have been in what might be termed a state of armed neutrality towards each other? That is, they have said, "We will work together when we have to, and only then." I am quite in accord with the opinion expressed by my honourable friend that the competition of the Canadian National was unfair to the C.P.R., and should never have been permitted. I do not think that any one who has to consider business matters as they should be considered can take any other view. But it is an accomplished fact, and we have to make the best of the situation in which we find ourselves.

When the late president of the Canadian National Railways took over the system what did he do? He created an esprit de corps among the rank and file. I have no fault to find with him on that account, except for the fact that he created that esprit de corps at an enormous expense to the people of Canada. Having done that, then undoubtedly he embarked on a campaign of competition with his only visible rival, the C.P.R. He did it by the use of the public purse, which was not safeguarded by the members of these two Houses of Parliament. He spent hundreds and hundreds of millions of dollars, in part, to improve the system itself, and, in part, for a competitive club to use against the Canadian Pacific Railway.

We had a number of years of that competitive condition. One company would build a hotel, then the other company would build a rival hotel; one company would put a new passenger boat into service, the other company would immediately follow suit; and so on all down the line. This ruinous competition continued year after year. Does any one think that that spirit of competition is dead? I assert it is not dead. It may be dormant at the present moment, but it is not dead, and the mere fact that the head of one of these two great railway systems has left our shores will not change that fundamental condition of affairs. Consequently I submit that if you have no better means of getting the respective managements of the two railway systems closer together than you have at the present time, those basic economies which should be put into effect will never be undertaken. It is not in human nature for us to expect otherwise.

This calls to mind a point to which I shall direct notice, to prevent misapprehension. The mover of the amendment said that between 1928 and 1931 economies had been effected to the extent of \$100,000,000. I am very sorry to say that that is not a fact.

Hon. Mr. CALDER: No. If the honourable gentleman will allow me—I said in 1932 the operating costs of the C.N.R. had been reduced by \$100,000,000 as compared with those of 1928.

Hon. Mr. BLACK: If the honourable gentleman will refer to Hansard to-morrow he will find that he used the word "economies." I do not think he intended to use the word. I would point out to the honourable gentleman that if you use one side of the balance sheet without taking into account the other you do not get a true picture of the operating results. Accepting his statement that there was a reduction in operation costs of \$100,000,-

000, let me ask, how was it brought about? I submit, not because economies were effected. If he will study those figures he will find the actual economies amounted to between \$11,000,000 and \$12,000,000, owing to the fact that there was less freight and passenger traffic, and consequently trains had to be discontinued. That is, while the operating costs were \$100,000,000 less, on the opposite side of the shield there was something to offset this reduction; so there was very little actual saving.

I desire also to direct attention to a point that I think was dealt with in the Railway Committee; if not, it was brought to my notice by a railway man. While we have made very material economies in the operation of the Canadian National Railways since the resignation of the late president—economies very largely due, I think, to the energy displayed by the Minister of Railways and by the present head of the Canadian National System in their efforts to get down to an economical basis—yet I am told the operating result for last month is even worse than that for the corresponding month of 1932. What does that mean? Simply that something must be done to bring about the utmost economy in the operation of our railways.

I do not think we can bring about that economy without the help of an Arbitral Board such as is provided for under Part III of the Bill. I submit that only under this Arbitral Board will it be possible to bring about the basic economies necessary to put the C.N.R. in shape to operate even for a few years more; and in my opinion it will help the Canadian Pacific to operate very much more cheaply. Why? Because there exists between these two roads a fundamental antagonism which is not to be wiped out in a day. You may call that antagonism competition, for that is what it is. But it is not dead; it is simply dormant for the time being. I may point to something comparable to this state of affairs in the antagonism that has existed between France and Germany since the days of Bismarck, sometimes under the surface, sometimes above. Suppose you were to ask France and Germany to get together on a voluntary reduction of armament. France has a superior navy, Germany a superior air force. Germany would say to France, "Yes, you must reduce your navy." France would say to Germany, "But you must reduce your air force." Do you think that if France and Germany were let alone they would ever agree on a reduction of armament?

An Hon. SENATOR: The League of Nations might bring it about.

Hon. Mr. BLACK.

Hon. Mr. BLACK: That is, in my view, exactly what is going to happen with these two railroads if you have not some effective means of bringing about joint action. If the two railway managements are not confronted with this statute providing for compulsory arbitration, I am afraid there will be very little use in joint terminals, very little abandonment of lines here and there; in a word, there will be failure to bring about those basic economies which are necessary for the protection and continued operation of both these great railway systems.

Yesterday I listened with a great deal of interest to the remarks of the honourable senator from Bedford (Hon. Mr. Pope). My only regret is that he did not give us a little more information as to what parts, if not all, of the Canadian National lines the syndicate which he mentioned was ready to take over; and if he had given us something more definite regarding the syndicate, he would, I think, have done a still greater service to the country. I hope he will go further and lay before the Government the scheme which he then gave us only in outline. If as a result of his efforts some private corporation makes an offer to take this railway burden off the shoulders of the people of Canada, and that offer is accepted, I can assure him he will earn the gratitude of many generations to come. There is nothing in this Bill to prevent the Government from receiving such an offer with open arms. I refer to this because from my point of view we should be ready to go into the merits of any reasonable suggestion that may be offered to lighten the burden now pressing so heavily upon the shoulders of the taxpayers of this Dominion.

Unless Parliament is prepared to carry out almost in their entirety the principles of the Duff report, then we had better kill this Bill. Personally I cannot accept the amendment. Its adoption would vitiate the whole Bill; it would take away its teeth and render it of no practical value.

I do not accept the view that Part III means confiscation of the C.P.R. As I have said, we have almost as much confiscation of the rights of the railways in the regulative powers now exercised by the Railway Commission as would be possible under the proposed tribunal. The arbitral powers can be invoked by either party, if it can convince the Chief Commissioner that a tribunal is necessary. The present Chairman of the Board of Railway Commissioners is exceptionally well qualified to discharge the duties of his office. He having decided that a tribunal is necessary, of whom is it composed? He himself becomes the presiding officer, and

he is assisted by a representative from either road. I think it will be admitted that that should be a pretty fair tribunal, a tribunal that is not likely to confiscate the property of the Canadian Pacific. Indeed, confiscation is not the purpose of the tribunal; its purpose is to conserve railway property.

Honourable members, I hope the Bill will be given third reading and that it will be endorsed in its entirety by the other Chamber.

Hon. C. P. BEAUBIEN: Honourable members—

Some Hon. SENATORS: It is six o'clock.

Hon. Mr. BEAUBIEN: May I during the short interval before recess place before the House a statement that the honourable member for De Salaberry (Hon. Mr. Béique) has requested me to read. He had to leave unexpectedly by the afternoon train. This is the statement:

Honourable members, I need not say that I am not a prophet nor a son of a prophet, but in the exercise of a very ordinary judgment, in a letter written, I think, in 1917, to Sir Henry Drayton, then Minister of Finance, I said that our purchasing the Grand Trunk Railway, and Government operation of railways, would bring the country to ruin. I have not at present a copy of my letter, but with the leave of the Senate I will have an extract of it placed on Hansard.

(The extract submitted by Hon. Mr. Béique is from a letter addressed to Sir Henry Drayton under date of October 14, 1919, and reads as follows:

"To my mind the nationalization policy of railways cannot be further continued without bringing the country to ruin.")

If the House prefers to rise now, I shall reserve my remarks until 8 o'clock.

At 6 o'clock the Senate took recess.

The Senate resumed at 8 o'clock.

Hon. Mr. MURDOCK: I rise to a point of order. Rule 65 of the Senate reads:

A senator may, at any time before a Bill is passed, move for the reconsideration of any clause thereof, already passed.

Then there is a reference to Bourinot, page 526, where I find the following:

A senator may, at any time before a bill has passed, move for the reconsideration of any clause thereof already passed.

The same practice sometimes obtains in Commons committees, but it is not one to be encouraged, since it is obviously at variance with the sound principle which prevents either the house or committee passing on the same question twice. The proper time for the reconsideration of an amended bill is after report from committee, when, under English practice—which might advantageously be followed in the Canadian Commons—it is competent to make amendments, and reconsider the bill; or in any

case, it may be sent back, and the committee regularly authorized to reconsider it in any particular.

I should like to draw the attention of the House to the fact that at yesterday's sitting of the Committee of the Whole we passed Bill A, including Part III, with certain amendments, and reported it to the Senate for third reading. It would have been quite within the competence of the honourable senator from Salcoats (Hon. Mr. Calder) to move to-day for a reference back of the entire Bill for the purpose of reconsidering Part III; but it seems to me to be entirely out of order, the Bill having left the Committee of the Whole yesterday, for the honourable senator to propose, in amendment to a motion which only contemplates the third reading of the Bill as adopted in Committee of the Whole, to strike out Part III. I take the position that the entire discussion of this afternoon should have taken place in Committee of the Whole, after a reference back of the Bill for the purpose of reconsideration.

Hon. Mr. CALDER: Honourable members, speaking to the point of order raised, I quite agree that that rule exists. I was quite aware of it, but I took the opportunity to consult those who should know what the practice of the Senate has been, notwithstanding the rule, and I was assured that for many years past the course that I pursued had been followed in this Chamber. However, lest Mr. Speaker should rule that my amendment is out of order, I have prepared an amendment which is in accordance with the suggestion of my honourable friend (Hon. Mr. Murdock). No good purpose would be served, however, by myself or any person else being put to the necessity of moving it. The question is before the House; we all know what it is; it would be only a matter of going through another formality, which is not necessary. So I would suggest that if the honourable member presses his point of order Mr. Speaker give his decision.

Hon. Mr. MURDOCK: I would respectfully press my point of order. I think we should keep within the rules of order as much as we can.

Hon. Mr. CALDER: As I said, the practice is well recognized.

The Hon. the SPEAKER: In answer to the point of order raised by the honourable senator from Parkdale (Hon. Mr. Murdock), I find that clause 92 of the Forms of Proceeding of the Senate of Canada reads as follows:

New clauses may be added or other amendments may be made to a public Bill at its third reading or passing.

In Bourinot, at page 531, I find the following:

In the Senate, bills are constantly amended on the third reading without going back to committee.

Under these circumstances I am of the opinion that our proceedings are in order, and that the point of order is not well taken.

Hon. C. P. BEAUBIEN: Honourable gentlemen, the ground has been so well covered by our honourable colleagues from Saltcoats (Hon. Mr. Calder) and North York (Hon. Sir Allen Aylesworth) that I shall make but a brief reference to only two points. I cannot, however, pass on without some allusion to the pronouncement of our honourable colleague from Parkdale (Hon. Mr. Murdock). When he spoke of what he called the privileged classes, I detected in his voice what I should call a professional vibration. From his attitude I could almost imagine him addressing a crowd of so-called downtrodden people, for whom the privileged classes, of course, have no compassion. Perhaps my honourable friend will agree with me that the privileged classes have gone by the board, or that to-day their only privilege is that of bearing heavier debts, heavier responsibilities, and heavier taxes, out of which the proletariat is fed, clothed, and protected. There is a French proverb that says, "You can always find a man more miserable than yourself." I can tell my honourable friend that the accusations which he hurled with a light heart and a vigorous hand at what he calls the privileged classes are, strange to say, levelled at himself. The aristocrats of labour! Time and again this honourable gentleman who points with scorn to the privileged classes has been, so to speak, banished from the proletariat. He ought to be very thankful that we have emerged from the old days, from the days of the French Revolution, when everybody was levelled downward—

Hon. Mr. MURDOCK: Does my honourable friend realize that he is talking nonsense?

Hon. Mr. BEAUBIEN: Well, I do not mind that remark in the slightest, as I was talking of the honourable gentleman. This is a very grave measure. Why should my honourable friend attempt, for, I suppose, special reasons—I will not name them—to prejudice public opinion against this company? Why should he point to the Canadian Pacific as being in the privileged class? His accusation was double-headed, against the Canadian Pacific and against the Government. It will not help the public men of this country in their endeavour to solve the rail-

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way problem, and, if my honourable friend will permit me to say so, it was absolutely out of place.

There are two questions that I should like to ask with reference to the Bill. The first one is this: Is it necessary that we should pass Part III? I humbly submit that it is not. I shall try to state my reasons briefly. The Government has prepared the Bill for the purpose of creating machinery to bring about economies in the operations of the railways, and as part of that machinery three trustees who will be put in charge of the Canadian National. Now, is it conceivable that the trustees, whose appointment will be made only after a great deal of care on the part of the Government, would do less than their utmost to effect all practical economies on the publicly-owned road? In my humble opinion it is not. If they failed to do so they would be acting directly contrary to the purpose for which they were appointed. Goodness knows that the country will be able to use for other purposes all the money the trustees are able to save. These men would sacrifice their reputations and their positions if they did not reasonably fulfil the hopes reposed in them, and they would be relieved of office as soon as possible under the law.

What about the Canadian Pacific Railway? Can anyone imagine that that company would deliberately wish to compete with the Canadian National, which is backed by the national treasury? That is not imaginable. In the past the Canadian Pacific has competed, for defensive reasons; but does any honourable member think that it would engage in extravagant competition with the Canadian National to-day?

Hon. Mr. GILLIS: It has been trying to do so?

Hon. Mr. BEAUBIEN: When?

Hon. Mr. GILLIS: For many years.

Hon. Mr. BEAUBIEN: That is just what I said, that in the past it did compete, for defensive reasons. But is it conceivable that between now and next session there will be extravagant competition between the railways?

Hon. Mr. GILLIS: Not after this Bill passes.

Hon. Mr. BEAUBIEN: My honourable friend will not answer my question. He knows very well that that is impossible. For one thing, the companies have not the money that would be required. He also knows that public opinion would not stand for extravagant com-

petition. Therefore, I submit there is no danger that within a year the two railways will compete in a way that would be injurious to the treasury of Canada.

Furthermore, during the past two months representatives of both roads have been sitting down together and considering a number of proposed measures of economy. What has been the result? They have agreed upon every point so far. That was stated to the Railway Committee by Mr. Grant Hall, representing the Canadian Pacific, and Mr. Fairweather, representing the Canadian National. Then, why is it necessary to regard this legislation as urgent? It has been said here that the Bill would be of no use if Part III were eliminated. I entirely disagree with that.

Hon. Mr. GILLIS: Would my honourable friend permit me to ask him a question?

Hon. Mr. BEAUBIEN: Two.

Hon. Mr. GILLIS: When Mr. Hall and Mr. Fairweather were before the Railway Committee they were asked to furnish particulars of economies that had been effected during the past two months, and neither one could give us any information of what had been done in that respect.

Hon. Mr. BEAUBIEN: I think my honourable friend is quite right. These two gentlemen stated that representatives of their respective railways had been negotiating for two months and had agreed on all the matters submitted to them. The important fact is that they have agreed and have had no need of enforced arbitration. You cannot expect greater results than that in two months.

I now come to my second question. Since this legislation is not urgently required, can we not postpone the passage of it until next session, and pass it then if it should be found necessary to do so? I am absolutely convinced that if the Bill becomes law Part III will never be resorted to, between now and next session, at all events; and I think I can go so far as to say that a great many of my colleagues in this House are of the same opinion, and it is for this reason that they are ready to agree to Part III.

Hon. Mr. GILLIS: Then it will do no harm to pass it.

Hon. Mr. BEAUBIEN: In a year from now we shall be sitting in this House, and the big club—not the stuffed club that my honourable friend referred to, but a really hard club—will be standing in the corner covered with dust, having had no use whatever. So far as I am concerned, the passage of Part III is really of little interest, for, as I say, it will not be

resorted to in any event. But there is a serious matter to be considered. What would be the effect of passing legislation of this kind? It is all very well, when you come to speak of "big stick" legislation, to maintain a professional vibration to show how strongly you are for the proletariat—

Hon. Mr. MURDOCK: May I ask the honourable gentleman a question?

Hon. Mr. BEAUBIEN: You may ask anything you like.

Hon. Mr. MURDOCK: You presumably would prefer to go hunting with a wooden gun?

Hon. Mr. BEAUBIEN: If I were not going to fire my gun, I should not mind whether it was made of wood or steel. And you are not going to fire yours, notwithstanding all your desire to strike hard at the so-called privileged classes.

What would be the result of putting on our Statute Book legislation of the kind contained in Part III? Think of the effect in international financial circles on the credit of that company, whose wise administration has earned a very high reputation throughout the world. The Canadian Pacific Railway is the biggest transportation company in the world, and has been the best advertiser for Canada in every country. For more than forty years it has been managed by an able board of directors, who have pursued a very successful policy. I have before me some very interesting figures, but I shall not take the time to refer to many of them. Dry though figures generally are, these show what a wonderful part the Canadian Pacific has played in the history of Canada. Can honourable members conceive that Canada could have developed to its present stage without the Canadian Pacific Railway, without that steel link that has joined together and still binds all our provinces? As I look at the figures before me I feel that it would be extremely difficult for any man, however gifted he might be with the pen, to write a more eloquent tribute than is to be found in them. I think I can say, honourable members, that few, if any, transportation companies in the world have a record like that of the Canadian Pacific Railway.

Hon. Mr. MURDOCK: Hear, hear.

Hon. Mr. BEAUBIEN: You ought to say that, if only by way of reparation.

Hon. Mr. HUGHES: Mr. Speaker, I rise to a point of order. I think it is a rule of this House that in addressing one another

honourable members should always use the third person and never the second. I know that is the rule in the other House, and if it is not our rule it should be.

Hon. Mr. BEAUBIEN: The honourable gentleman is right, and if I have offended against the rule I am sorry.

I want to refer briefly to the figures before me. The honourable senator from North York (Hon. Sir Allen Aylesworth) has stated that sixty-five per cent of the capital of the Canadian Pacific has been obtained from Great Britain and only fifteen per cent from Canada. That means that out of some \$700,000,000 invested in the company about \$600,000,000 has come from abroad. And that is only the direct investment. What about the indirect investment? That must be at least equally great.

No better board of directors has existed anywhere than that which has governed the Canadian Pacific Railway, and as a result the company has earned the confidence of international finance. Now, will that confidence not be very seriously impaired if by this legislation practical control of the company is taken away from the board and placed in the hands of one man? It may be possible to get a thoroughly qualified man to begin with, but he will not be immortal and in time a successor will have to be appointed. The opinion of the most responsible financiers in Canada is that there would indeed be a serious impairment of that international confidence. Why take that risk, if Part III would not be put into operation? That is the question I want to emphasize. I think the great majority of honourable members must be convinced that Part III of this Bill will not be invoked. Why, then, take the risk of writing into the Statute Book a law which may very seriously affect the credit of the C.P.R.?

I will go a step further. A railway cannot live without extensions, and it cannot extend without credit. If you adversely affect the credit of the C.P.R., who is going to restore that credit? The credit of the C.P.R. is so closely united and bound up with the credit of Canada that, I submit, if the C.P.R. cannot, as it did in the past, sell its securities in the money markets of the world, there is only one thing for Canada to do—to endorse those securities. Do you want that condition to be brought about? Let us not take such a risk needlessly. Next session we may find it necessary to impose Part III of this Bill, but I doubt very much that the majority of honourable senators can come reasonably to the conclusion that there will be any necessity to put it into effect before that time.

Hon. Mr. HUGHES.

One word more. Strange to say, the political argument that if we pass this proposed legislation without Part III we emasculate the Bill is supposed to have a tremendous influence even on members of this House, who, under the constitution, are entirely independent of any political influence whatsoever. Would it be advisable to pass a measure that appears to have, as Part III has, all the teeth required to give effect to the law? Rather would it not be prudent to wait until such time as we are perfectly assured that that portion of the Bill will be required? I submit it would be the part of wisdom not to take the risk of hurting this great Canadian company, the best known throughout the world, and so perhaps run the further risk of having ourselves to assume liabilities, the amount of which cannot be foreseen at the present time.

For these reasons I contend we can perfectly well afford to discard Part III for the time being. Without any doubt, no use will have to be made of it until next session at the earliest. Then, if absolutely necessary, but not before, we can discard the risk of hurting the credit of the C.P.R. and pass that part of the measure. I think everybody will agree with me that Part III cannot be required for several months to come.

Hon. Mr. GILLIS: If that is the case, how can it hurt the C.P.R. to pass Part III now?

Hon. Mr. BEAUBIEN: I fear I have not made myself clear. I submit that we should be very careful in writing into a statute such provisions as are contained in Part III, for I verily believe that by so doing we may cause irremediable harm to the greatest and most useful private enterprise in the land.

Right Hon. ARTHUR MEIGHEN: Honourable senators, this Bill has been before the Upper House for nearly four months. It was introduced as the statutory embodiment of a report containing certain recommendations made by a Royal Commission which had spent more than a year investigating the railway problem of Canada. The report thus embodied went through the usual parliamentary stages, the chief of which was a long review before the Senate Committee on Railways, Telegraphs and Harbours. There, in point of principle as well as of mechanism and detail, it received the most thorough, well-tempered deliberation and review that I have ever seen any Bill receive in a committee of this House. It is now before us in the form of a motion for third reading. My object will be to try to impress upon the

House that the Bill seeks to be a solution of a very serious railway condition, going indeed to the financial stability of the whole Dominion, and, further, to impress upon the House that a really critical situation confronts us—that we are not dealing with something which is merely incidental and which an ordinary amendment or something in the way of a direction can be expected to cure. We are dealing with the heaviest burden that overhangs this nation; we are dealing with a problem that has baffled some of our clearest minds, and with a difficulty from which some of the brightest men of our Confederation feel we can never escape.

We are the owners of a railway system in which some \$2,600,000,000 is now invested. As such owners we are in competition with another great railway system, into which a lesser sum, but still a gigantic total, has found its way. We are draining the treasury and exhausting the borrowing powers of our country to make good gigantic annual deficits aggregating such a figure as would have appalled us in other years. Surely this should summon us to meet the difficulty to the very utmost of our resources. A million dollars a week has been mentioned to-night as the deficit that we face now, but that million a week is the annual interest that must be met on the debt due the public by the National System. The railway is not paying, even aside from its obligations, and in addition to the interest obligation which I have named there is another total, comparable with that, due the Federal Government as interest on loans. All this is overhanging a country of 10,000,000 people, and overhanging it at a time of sore distress in which we take our place and struggle along with all other peoples of the world. It is in this position we find ourselves to-day.

In the short review that I intend to make I shall try to gather the minds of honourable members around the central problem that is before us, the implementing by statute, if we deem it wise, of the report of a commission which made definite and specific recommendations. I have not heard very much said of that report in any of the speeches made to date. Indeed, I have not heard any specific reference to any clause of the Bill, and very much as I respect Mr. Beatty in the excellent addresses he has given, I venture to suggest that the report and the Bill itself are actually of more consequence now than the addresses of the President of the Canadian Pacific. We have to study, and study carefully, the contents of both the report and the Bill in order intelligently to discharge the crucial duty that devolves upon us to-night.

Why we are in this impasse I do not intend to discuss, at all events to the extent of belabouring the issue. I do refer to it merely that I may make what I hope will be an intelligent reply to certain allegations of the honourable senator from North York (Hon. Sir Allen Aylesworth). I do not want to assume that we are in this difficulty because we have adopted a wrong principle in following the path of government operation of railways. I have never been an impassioned, partial advocate of government ownership and operation of railways, but I take exception to the statement that it simply cannot succeed, that it is wrong in conception and wrong in principle, and that that is why we are where we are to-day.

There are to-day many public utilities operated by states or by provinces the world over, and some of them operated with a very great degree of success. Speaking as one who I think should know, and certainly speaking conscientiously, I say that in this Dominion, I believe, we have perhaps the most conspicuous instance of successful operation of a great utility by the State that can be found in the world. Many a city operates its utilities, and operates them well. We cannot say the principle is wrong. It may be wrongly applied, it may be wrongly executed, but it is not because of anything wrong in the conception that we are in this difficult position.

The ownership of this great system, with the duty of operating it, is not ours because of conscious, determined choice on the part of any Government of this country. It is born rather of a conjunction of events and of economic forces that compelled us to take up this burden and so discharge it, rather than accept any alternative which presented itself to the people of Canada.

Early this session I ventured to say that we in Canada had not given a fair chance to the National Railways. To that position I still adhere. I neither boast nor complain of being called the father of this now contorted creation. Sometimes it is laid at my door and I am told: "It is yours. All that now clings to it and all its diseases are yours." All right, if to some degree they are mine I accept the responsibility. I do not complain of being charged with the parentage of the child; but I do complain of its treatment at the hands of its foster father.

Whatever may be the history, whatever may be the errors—and I know it is possible to exaggerate errors—the fact is there has been a running into debt, a care-free extension of liabilities here, there and everywhere, of all sorts and sizes, and, whoever may be respon-

sible, this has brought us to the position where we find ourselves \$912,000,000 more in debt after just nine years, with all the fixed charges on that debt heaped upon our backs; and we find ourselves in that position at a time of world depression, when the burden is heavier than it otherwise would be, and when the means of extrication are less clear.

I hope I shall not be charged with having expected of the management of the Canadian National anything more than ordinary shrewd business capacity; that I shall not be charged with having said they should have foreseen the depression. I would be the last to lay at the door of anyone blame for not having foreseen this depression. I did not foresee it. But I do think had there never been any depression our position to-day would be only less difficult, but still all but impossible for a nation of our size to maintain. Failure to foresee a depression is never an excuse for extravagance in management, nor is it ever an excuse for extravagance in capital outlay. All must be governed by the principles which govern the management of all businesses—by a carefully calculated belief that the outlays can earn a dividend. The outlays that have been made on this road could never have been made after any such calculation.

Now, the honourable senator for North York (Hon. Sir Allen Aylesworth) affirms that we are unfair to the Canadian Pacific in managing this as a national system. With his position I have some measure of sympathy. I have always felt that it would be very difficult for the State to manage its own system, and manage it fairly, competing as it does directly and at every point of contact with the private system. That difficulty I do not think any of us in former years failed to see. But we could not do otherwise. We had to launch upon it or allow an alternative condition of affairs, which, I venture to think, not a fraction of the people of Canada would ever have justified us in doing. But the duty was upon the Government of the day and those it chose to assume the burden of management to see to it that the road was so conducted as to relieve the country, as far as it could be relieved, of the charge of unfair operation as against the private system. Economical operation would have been the way, and I do believe that if the management in control up to the end of 1922 had been retained in control we should have had that economical operation, and I do not believe the Canadian Pacific officials to-day would even allege that there was unfair competition from the Canadian National, though there was efficient

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competition, up to the end of 1922. There was no race like that of the Gadarene swine to the precipice, in the way of extravagant luxuries and de luxe services as described in the report of the Royal Commission. That frenzy did not go on at all. It commenced after the end of 1922, and because of it the Canadian Pacific is in a position to complain that it has had unfair competition at the hands of the Canadian National.

But this is something that we cannot now cure. It is done. The best we can do is to see to it that any legislation we now pass helps, not one road alone, but both, and that it is not unfair to either. Now I venture to examine this legislation more closely and to apply to it that very test. Is there within the four corners of this Bill anything unfair to the Canadian Pacific? Is there anything here that can work injuriously to that company? I do not think the inquiry into that issue has been very close up to this point in the debate, but I venture to submit to honourable gentlemen that it ought to have been, because we never can answer to the people of Canada for legislation which in any respect is unfair to the C.P.R. I for one, bearing my share of responsibility—and it is considerable—in respect of the Bill now before us, cannot assume that until the Canadian Pacific agrees we have no right to pass it. The honourable senator to my left (Hon. Mr. Calder), whose very vigorous and carefully thought out speech we were all glad to hear—we are glad that he was able to come back again in health to this House and address us as he did—seemed to proceed on the assumption—where he got it I cannot fathom—that this Bill is in the nature of penal legislation; that it is to punish bad boys for not having done the right thing by the people of Canada. It is all right, he said, as applied to the Canadian National Railways: they have been extravagant; they have got us into this awful mess. But the Canadian Pacific people were not bad at all; why apply this Bill to them?

This is not penal legislation at all. There is nothing here in the nature of criminal or quasi-criminal legislation. It is intended not to punish anybody, but to assist and rescue the Canadian National on the one hand and the Canadian Pacific on the other; and unless it is of value from that standpoint we have no right to pass it at all. We are not here to visit punishment upon anybody for past sins; we are here seeking to rescue from the disastrous pass in which they are to-day two great systems in which the Canadian people

have an equally great interest, and of which they are equally proud.

Now I come still more closely to the inquiry. Will this Bill do what we intend it to do? What is the object of this House, and of this country, as represented by the Government? I hope I have got to the stage where honourable gentlemen will agree that some definite and very important step has to be taken. The competition in services, the competition in capital investment, the race for business, the constantly competing pride of the executives of the two companies, unrestrained on the one hand by those who should have restrained, and unrestrained on the other hand because of fear for their position, have brought us to where we stand.

That something must be done, I think everybody admits. What is the alternative to this Bill? Everybody knows that the only alternative presented to the Royal Commission was a unified management, some means by which the Canadian Pacific would come under the operation of the Canadian National, or the Canadian National would come under the operation of the Canadian Pacific. The second proposition seemed to be the more seriously considered as being practicable. We have not heard much of that alternative in this debate—this unified management that Mr. Beatty is preaching in the addresses he is delivering throughout this country.

For unified management as a business arrangement, a very formidable argument can be made. That greater economies can be achieved through a single management operating both railways than can possibly be attained by the co-operative agencies we are creating here, I do not doubt. I believe that we can save millions, under this Bill, but that under unified management, it we could adopt it, we should save millions more. That economies could be effected which are beyond the range of these co-operative agencies I do not question, and I can understand the position of honourable gentlemen who say: "We realize the position; we realize the difficulties; we realize that the mountain ahead of us is a colossal one. But here is the alternative that we support—single control and management. This is something masculine, this is something practicable. Let us adopt it."

Before its adoption, however, I should like to offer a few considerations. These considerations are not new, they are not original with me at all; that they have been in the mind of every member of the Railway Committee I do not doubt.

We already have two gigantic industrial entities in the life of our country. The United States have two hundred, and in that country

the power of each is proportionately diminished. In our country we have only two. Because of fortuitous events the evolution of our railways has gone much further. Each of these great entities is tremendously powerful. Unite them and you will have a power which, in the hands of competent, shrewd, far-seeing men, could be made an almost insuperable factor in the political life of this Dominion. Some attach to that spectre more sinister and more terrible consequences than do others. That it is undesirable I admit—that it is very undesirable I admit; and I say most emphatically that the great mass of the Canadian people consider it so undesirable that so long as the democracy that reigns in Canada is the democracy of mind that now reigns, there is no possibility of bringing about such a condition of affairs. Those who say that this is so only in regard to political matters—that we are being political when we ought to be business-like—are really indicting democracy. It is not at all a political party that is being challenged, but democracy itself; and I do not know that democracy is altogether foolish in seeking to guard itself against what conceivably, because of its immensity, might become domination.

In the Railway Committee there was a very thorough review of the advantages of unification. That Mr. Beatty put his case before the Committee with convincing power there is no doubt. But the Committee, after considering the situation from every angle, by a vote of twenty-four to one, decided that it could not take such a course. Perhaps it is because of the overwhelming majority in the Committee that we do not hear of this alternative under review in this debate. The Duff Commission rejected it, and, I venture to say, largely for the reasons which I have indicated to-night.

Is there any other alternative? The honourable senator from Montarville (Hon. Mr. Beaubien), the honourable senator to my left (Hon. Mr. Calder) and the honourable gentleman from North York (Hon. Sir Allen Aylesworth) say: "Cut away Part III and we will accept the Bill. That is the alternative we want." I will examine now, perhaps somewhat hurriedly, the proposition that the Senate of Canada should pass Bill A with Part III lopped away. If that part were cut away, what would remain of the Bill?

Part I of the Bill provides that the Government of the day may displace the present board of directors and appoint three trustees. In reality "trustees" is only another name for directors. Their functions are not different; they cannot be. That feature of the Bill

would remain. We should have three directors, or trustees, instead of thirteen.

The next feature of the Bill is contained in clause 16, being Part II of the Bill, which is a direction to the two companies to appoint representatives of their respective organizations for the purpose of meeting together and seeking to agree upon plans, measures, and arrangements which will effect economies and more remunerative operation. Honourable gentlemen will not ask me to read that clause. I ask them, though, to remember the words which I quote from it. It is a direction to the two roads to appoint a committee, and it authorizes them to make an effort to achieve mutual economies by plans, measures and arrangements. My reason for emphasizing that is this. Clause 16 is so worded that no dispute which arises in the efforts of the committee composed of the two sets of representatives can be such as to be heard before an arbitral tribunal unless it arises out of the terms of an arrangement, plan or measure by which economies can be effected and more remunerative operation brought about. To be still more clear: unless it is first established that, by a plan submitted by one of the roads, and rejected for some reason by the other, greater economies can be effected and more remunerative operation brought about, no arbitral tribunal can be formed, and no arbitral tribunal can give a decision. So far as clause 16 goes, and so far as Part II of the Bill goes, it is merely a request that they come together and endeavour to reach a conclusion. If the word "requested" had been used instead of "directed," it would have been just as effective; and if we had stopped there we should simply have been laying this request at the feet of the two systems.

I hope that honourable gentlemen at this point are able to estimate just what would remain of the Bill if Part III were abandoned. You would have three trustees instead of thirteen, or eighteen, or whatever the number may be, and you would have a request to the two companies to behave better in the future than they have done in the past.

I ask honourable members not to hesitate to challenge me if I have in any way misinterpreted the Bill as it would be if it were truncated in the way suggested by the honourable member for Montarville (Hon. Mr. Beaubien). The honourable senator says, "I am quite sure they will behave better, and I am quite sure they will not need Part III." Why is he so sure? Because, he says, they are so poor they cannot help behaving better. That was the argument advanced by the honourable senator from Montarville, and that was the reason for the hope of the honourable senator

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to my left (Hon. Mr. Calder). He says that they have been chastened by misfortune; that they are now experiencing the bitter remorse of the morning after a night of intoxication, and he knows that they "will never do it again." Therefore he says, "Leave out Part III."

But where would this House stand before the people of Canada if after four months of deliberation and debate, and after a year of investigation by a commission, it solemnly placed upon the Statute Book a piece of legislation that named three trustees and then prayed the parties to be good? If we did that we should have nothing but a car without an engine, a church without a doctrine—just a collection of pleas and prayers and supplications. We should have direction without sanction, and hope without any guarantee. Surely honourable members do not suggest that this House should present such a spectacle as that before the people of this Dominion. It were far better to be manly about it and abandon the whole Bill, for there would be nothing left worth preserving.

Maybe we are unwise in passing the measure. I do not think we are, but I would rather that we should make the error of not passing it at all than that we should put upon the Statute Book the poor, pale, pitiful product suggested by the honourable senator from Montarville (Hon. Mr. Beaubien) and the honourable senator to my left (Hon. Mr. Calder). It were far better, I say, to make the error of defeating the Bill than to present to the people of Canada the anaemic creation for which we should be responsible if we passed only Parts I and II.

What is there about Part III that we fear? To hear honourable gentlemen in this House, one would think that the gates of destiny, so far as the Canadian Pacific is concerned, were hanging on our decision as to Part III; that a timorous congregation of shareholders in England were shivering for fear this awful blow would be struck. Surely we should be playing our parts better if we endeavoured to show them what Part III really is.

Part III is only a means of deciding disputes that may take place under Part II; it refers disputes that may arise between the two companies in their efforts to agree, to a tribunal which stands impartially between them, and which cannot give a decision unless it is first persuaded that it will be of benefit to both.

At this point, because the thought occurs to me, I want to refer to the illustration advanced by the honourable member from North York (Hon. Sir Allen Aylesworth). There is

no easier way of turning an audience, or Parliament, away from a real issue than by giving a clever but inapt illustration. The honourable gentleman said that a farmer does not want to be directed by legislation as to whether he shall sow beans or peas; that it is his own right to decide; and that if something is taken away from him—such as a piece of land for a road—he has to be compensated. That, the honourable senator says, is British law. And so it is. But what happens is this: a court is provided by the nation's Parliament to decide upon the value of what we have taken from him, and he must accept the valuation of that court. He cannot say, "I will not do it unless it pleases me"; he has to take the judgment of the court. Now, if, after the court has decided, that farmer does not have to be asked whether or not he thinks the decision beneficial to him, or fair, then why is the Canadian Pacific Railway entitled to be asked whether or not it considers a plan beneficial to it, or fair, after the court has decided that it is? In the opinion of the honourable senator from North York (Hon. Sir Allan Aylesworth), what is fair for the farmer is not fair for the Canadian Pacific.

It is true that the tribunal may make an error. It may decide that a proposed plan would work out beneficially to the Canadian Pacific Railway, and that decision may later prove to have been wrong. But all courts are liable to err, and there is no reason why a tribunal appointed under the provisions of this Bill should be more prone to make mistakes than is any other court. Ordinary disputes between the Canadian Pacific Railway and the Canadian National Railways, as between John Brown and Bill Smith, are referred to the courts of the land. If two parties have a disagreement, Parliament does not say: "We do not believe they will quarrel and fight if they are given another year to settle matters themselves. They have had a bitter fight and they are both pretty tired, so we will ask them to come together, embrace and agree, and we will wait a year to see if they do so." No. Parliament provides a court, and it says, "If two parties cannot agree, either one of them may ask that the issue be tried in court and a judgment given." A similar procedure is provided by this Bill. But it is felt that the regular courts are not equipped to decide questions as to plans, measures and arrangements involving new adjustments, allocations and abandonments as between great railway systems. Therefore it is proposed that there shall be established a court which is qualified to decide such questions.

We say that the Chairman of the Board of Railway Commissioners, whoever he may be, is probably the best qualified person in Canada to decide whether a proposed plan would effect an economy for the two systems. If in any case he decides that it will not do so, he does not go any further. And if after hearing the arguments of both railways he is of the opinion that the scheme would not result in more remunerative operation, he has no jurisdiction to order that it be put into operation. Now let us suppose, for example, that the two systems could not agree upon terms for their joint use of a terminal owned by one of them, and that, after hearing the representations of both sides, the chairman gives this judgment: "You must effect this economy upon such-and-such terms. I apportion between you the benefit and the burden, and the ultimate result will help you both." What would the shareholders over in London have to fear from such a judgment? How would it be in any way an invasion of the administrative rights of the company? The company would still be administering its own road. Unless the Bill were violated, unless the court were incompetent, the Canadian Pacific could not possibly be hurt by any decision.

It may be said, "If all that is true, why does the company not support the Bill?" Well, I do not like to suggest any reason for an action of another person. These Canadian Pacific men are intelligent and know their business. But I can conceive that possibly it may be the part of shrewdness to have the whole burden and responsibility for this legislation rest on the shoulders of Parliament and Government, and not be in any sense shared by these men. I am not at all sure that if I were president and approved of the legislation I should feel it my duty to say that I approved of it. I am not impugning the sincerity of their position, but I am saying that I cannot follow Mr. Beatty in some of his reasoning. I am able to follow him when he says, "We can effect greater and earlier economies if you let us manage the whole thing"; but when he says, "We are going to be injured—we are going to have the management taken from us and disaster will result," merely because the court is given power to decide disputes between the two systems, but with the provision that no order can be made that will not help both roads, I cannot, for the life of me, follow him. Under this legislation we are simply interposing what we believe is the most competent court that can be erected for the settlement of difficulties and disputes of a new class.

It is also contended—and this point is very manifest in the speeches of the President of the Canadian Pacific Railway—"You cannot have competition and co-operation. Your Bill provides for compulsory co-operation, and that is inconsistent with rivalry." My answer is that co-operation and competition are going on every day in every country, and the only reason there is not more co-operation than now exists is that the law prevents it. Will any honourable member suggest that there are no industries in Canada to-day which co-operate and at the same time compete? Do not think that I am attacking industries. In the great process of economic evolution we are getting farther and farther away from the policy of unrestrained and universal competition. That policy cannot everywhere prevail. It becomes destructive. It was destructive for our railways.

Will any honourable member deny that there is co-operation in practically every great industry in all countries? By an industry I mean, not a company, but all who are engaged in the production of a similar commodity. For example, in the sugar industry and the oil industry, and in all other great industries, is there not co-operation in order that destructive competition may be as far as possible eliminated? Does that practice not prevail in the United States and in every advanced commercial country, as well as in Canada? It does. But the law prevents the carrying of co-operation beyond a certain point. You cannot use it to the extent of unduly raising your prices against the public for your own benefit. That is where the line is drawn, but up to that line you can co-operate as freely as you wish, with a view to avoiding destructive competition.

If the law did not draw this line, there would be vastly more co-operation and less competition in big industries than is now the fact. After we pass this Bill and provide for a measure of co-operation and a consequent saving of large sums of money, there still will be a tremendous area in which our railway systems can compete. But I venture to say that as time goes on this area of competition will be gradually reduced, while the area of co-operation will be proportionately enlarged. That is, to my mind, an inevitable trend in the progress of economic law, and it is only a step in that progress that we shall be taking to-night if we pass this Bill.

I urge upon honourable members the fact that in taking such a step we shall not be in any way invading the sacred rights of anyone. We shall simply be providing a necessary control for two great corporations; a means by

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which they shall be required to do what they have failed to do during the last eleven years; a means for relieving public shareholders of the one corporation and financial supporters of the other from some of the tremendous burdens which both groups have been bearing in years gone by.

If it be said that this is to some extent penal legislation—of course, it is not that, in any sense at all—we must call attention to the report of the Royal Commission. That report, not merely in one paragraph, but in at least a half-dozen pages, attributes a share of the responsibility for the present situation to the Canadian Pacific. It is quite true that the greater share of culpability is charged against the Canadian National, but the Canadian Pacific is by no means exculpated. The commissioners attribute to that company even a lack of sense. They claim that the course pursued has meant waste to the company's shareholders. I could read extracts from the report to support what I am now saying. What has happened has been due, not to a lack of capacity on the part of the Canadian Pacific's management, but to an absence of provision for co-operation on a fair basis. When there is no such provision, an attempt on the part of either company to effect more economical or more remunerative operation by mutual arrangement becomes more like a poker game than a serious effort to bring about practical results. The company that stands to reap the greater benefit from any proposed scheme is the one that is the more insistent to have it put into operation. The other company hangs back, realizing that it will be pursued, and it strives continually to drive a harder and harder bargain.

This is the kind of thing that has gone on and will continue to go on if we do not provide a means of escape. Give the companies a means of escape, of bringing their disputes to a tribunal, and I venture to say that that tribunal will be very seldom resorted to, that the mere realization that such a court exists and may be appealed to by either company at any time, for the settlement of a dispute, will in itself go very far towards the solution by the railroads themselves of difficulties which arise between them.

For these reasons I commend, and commend earnestly, the third reading of this Bill to the Senate of Canada.

Hon. A. D. McRAE: Honourable senators, after the very able presentation in favour of the Bill by the right honourable leader of the House, I may be regarded as bold indeed in making a few observations. The honourable senator from Saltcoats (Hon. Mr. Calder) and the honourable senator from North York

(Hon. Sir Allen Aylesworth) have spoken at length in support of the amendment, and I want to express my agreement with what they have said in that respect. At the same time I wish to add a few pertinent remarks concerning the Bill.

I think that the right honourable leader of the House has covered the outstanding points of this proposed legislation, and in doing so he has rather confirmed the impression I previously had, namely, that the results which the people of this country are looking for will not be obtained under this Bill at all. For my part, I should much prefer to vote against the Bill rather than support the amendment, because I am satisfied that a year from now, when we are faced with practically the same deficits that are staring us in the face to-day, the people will have become disillusioned. When that time comes I would rather be on record as voting against the Bill as it stands.

The right honourable leader has quite properly referred to the bearing which this railway subject has on the financial stability of the country. The finances of Canada are indeed intimately affected by the position of the Canadian National, which now has a deficit of a million dollars a week. Are we going to continue, for another year or two, that deficit? I may say to honourable members who are not on the Railway Committee, or who did not attend its sittings, that we had before us there the efficiency expert of the Canadian National Railways, who said that under this Bill it would take five years to give effect to the economies recommended by the Royal Commission. Do honourable senators realize what that means? It will be five years before the present deficits are wiped out, if it can be accomplished even by that time. On that basis, next year the deficit would be \$40,000,000; in 1935 it would be \$30,000,000; in 1936, \$20,000,000, in 1937, \$10,000,000; and some time in the distant future, if business does not get any worse—and it is getting worse this year as compared with last—we may balance the account.

It seems to me that in the discussion on this issue we have not given sufficient consideration to the present state of our national finances. In fact, we have had practically no discussion on that matter. It is impossible to consider our transportation problems intelligently without taking into account the financial position of the Dominion. The public are under the impression that economies as large as \$75,000,000 a year may be effected; in the last few days I have received letters indicating that view to be general across the country. What will be the disappointment when the people realize that

the economies recommended by the Royal Commission cannot be given full effect within less than five years?

The right honourable leader also mentioned the fact that there had been little reference to the Royal Commission. Perhaps there are reasons for that. It is true the Commission sat for some months taking evidence and then spent a much longer period—so it is said—in attempting to arrive at a unanimous report. Well, unanimous reports are not always strong reports. I believe that this Bill, which is based on the Royal Commission's report, is not sound in principle. You might as well try to mix oil and water, as competition and enforced co-operation. They will not mix. As a resident of Western Canada, I was one of those who had a share thirty years ago in the building up of competition which we felt was essential at that time. If conditions were different, it would be a good thing to have a continuation of that competition now. But we are far from those days. Let me say that in the development of transportation, with its competitive service, human progress cannot be permanently restrained by rates, penalties, licences or anything else. We cannot turn back the hands of progress.

The transportation companies, not only in Canada but all over this continent, are faced with the necessity of making drastic readjustments. May I refer honourable senators to the recently published report of what is commonly known as the Coolidge Transportation Committee, which was appointed at the request of practically all the financial institutions, savings banks and life insurance and other companies that hold the major portion of the nineteen and a half billion dollars of railway securities issued in the United States. A summary of the Committee's findings appeared in the New York Times of Wednesday last. Mr. Al Smith brought in a minority report in which he concurred to a considerable extent with the majority report, but used his own language to express his conclusions. Briefly, the Commission recommended that the railways of the United States as reorganized should have in view one unified system. Men of authority on American railway affairs have expressed the opinion that all their railways will be operated by the Government inside of ten years, for the simple reason that they are all likely to continue operating at a loss.

If we are to have railway unification in this country, it means that we shall have to forgo our old ideas of competition. As a large shipper I welcomed competition, but I realize that now, in order to maintain our national solvency, we may have to forgo this advan-

tage and conduct our business without the competitive feature.

I do not think any honourable senator should criticize this Bill without having in mind some alternative suggestion. In my humble judgment the only way out of our present difficulty is unification of management. That does not mean unification of assets. It would be absurd for this country to take over the assets of the C.P.R. at this time. Railways, like traction companies, are rapidly getting out of vogue. To-day the motor truck and the motor bus are taking away a great deal of the railway business, and they are going to take away more. I doubt if in ten years from now we shall see any of the mails carried by train between our populous centres; in all probability this service will be done by the aeroplane. Certainly express shipments will go by air. There is an ever-increasing traffic by motor buses and motor trucks. In order that honourable members may realize the rapid development of road transport, I may say that there is a motor-truck service between this city and Windsor, and a very profitable business has been developed on that five-hundred-mile run. In my judgment there is no bright spot around the corner so far as our railways are concerned. In any event, they will have to go through a process of reorganization, and to that end it behooves the Canadian National and the Canadian Pacific to make whatever adjustments are practicable to bring about the greatest possible economy of operation.

I was interested in the reference made by the right honourable leader of the House (Right Hon. Mr. Meighen) to democracy. It does not seem to me that this Bill shows much regard for democracy. In short, this Bill is tantamount to an avoidance of responsibility by the Government of the day. True, this one-man commission is supposed to solve our railway problem. I say one-man commission advisedly, for I do not think the public appreciate that, while three trustees are to be appointed to manage the National Railways, only one of their number can initiate anything, and that is the chairman. The trustees can act only on a majority vote which must include the chairman. So in effect we shall have one man running this \$2,600,000,000 corporation for seven years. What check have we over him? There is only one check—the budget. Does any honourable member think that for the next four or five years there is going to be an operating surplus? Does he think there will not be a deficit? Well, if he does, he must be an optimist. To my mind, the budget is a very remote check indeed.

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Some people are worried about our becoming partners of the Canadian Pacific in this railway venture. Let me point out that this country is already in partnership with the Canadian Pacific. The credit of Canada is wrapped up in the credit of the Canadian Pacific Railway, and you cannot hurt one without hurting the other. I submit this is not the time to injure the credit of either. It must be apparent to those of us who have travelled across the Dominion that within the next four or five years our railways will find their track and rolling stock in such a condition of disrepair that they will be faced with an expenditure of hundreds of millions of dollars. There are thousands of freight cars on the sidings to-day that will not be fit for use in another five years' time. Even if our railways get back to a paying basis within this period, they will need ten years' earnings to make good the depreciation. Let us take a reasonable view of the situation. Let us not entertain the idea that within the next five years, if the railways get back to a paying basis, there will be a surplus available for the payment of dividends. I do not want to depreciate the C.P.R. stock; it is already at too great a discount. The Canadian Pacific is a magnificent transportation system. But it must not be forgotten that, as I have said, both the Canadian Pacific and the Canadian National have been obliged through lack of business to put many engines and cars on sidings, and it is very questionable that this rolling stock will ever be put back into service again. It will probably be necessary to incur heavy expenditure for new equipment, new rails, new ties and new rolling stock when improved business conditions render this possible. Worse still, our railways will have to make even greater expenditures if they are to meet this ever-increasing competition of modern transportation methods. Where is the money to be found? Well, when we again have the courage to step into the money markets of the world we are going to have to borrow hundreds of millions of dollars to put the National Railway into shape, and the C.P.R. will have to do likewise.

I desire to compliment the honourable senator from Saltcoats (Hon. Mr. Calder) on the suggestion he has made with respect to the budget, in order to insure to Parliament an opportunity to know what is really being dealt with. I think that suggestion should be incorporated in the Bill. I recall that while I was a member of the other House the Canadian National budgets gave us little information on which to base our vote.

The right honourable leader of the House has very clearly stated his position with re-

spect to the Arbitral Tribunal. The honourable senator for North York (Hon. Sir Allen Aylesworth) has referred to the duplication of railway tracks between Toronto and Belleville. He spoke of the possibility of double-tracking the C.P.R. Let me give the House the other side of the picture. To those of us who are not as optimistic as the honourable senator for North York it seems that it would be a measure of economy to abandon one of those parallel lines. If it were suggested that the C.P.R. line should be abandoned, its management might say, "That is an integral part of our system, and we cannot think of scrapping it." We will suppose that the Chairman of the Board of Trustees of the National Railways goes to the Chairman of the Railway Commission and says, "I want that line scrapped." Then, under this Bill, the case is heard by the Arbitral Board and an order might be issued for the abandonment of the Canadian Pacific line. That, I admit, is an extreme case, but when passing legislation we should bear in mind the possibility of such an extreme case arising under it. That is what the Arbitral Tribunal has power to do.

Now I want to say a word for the Canadian Pacific Railway. During the course of the debate this afternoon those honourable senators who made bold to speak in such a way that their remarks might be interpreted to be in support of that great Canadian institution were under—what shall I say?—well, at least they were under a cloud of suspicion. I think in that regard I am as free as any honourable member to express an opinion, for it has never been my good fortune to be in any way associated with the Canadian Pacific Railway; in fact I have never owned a share of stock in that company. This being the case, perhaps my remarks may be taken at par when I say that, as with every other Canadian who has travelled, my heart always dilated with pride whenever I saw the house flag of the C.P.R. flying on its ocean liners in foreign ports, and on its offices located in the principal cities of the world. The C.P.R. has carried the name of Canada to every quarter of the globe, with credit to the company and to Canada.

This afternoon it was said that the Grand Trunk minority shareholders were complaining of the loss of their securities. I believe the agreement for the acquisition of the Grand Trunk had the approval of a majority of the shareholders and was approved by Parliament. Unfortunately, the arrangement was not satisfactory to a few shareholders; hence for the last fourteen years we have had a series of

complaints from those minority shareholders. Those complaints, which still continue, have very seriously injured the credit of Canada. The honourable senator for North York (Hon. Sir Allen Aylesworth) told us this afternoon that of the shareholders interested in the ordinary and preference stock and other securities of the Canadian Pacific Railway, more than sixty per cent were resident in Great Britain, and only fifteen per cent in Canada. Out of the total of 180,000 investors interested in the C.P.R. this would mean, roughly, 108,000 in Great Britain. It does not require any great stretch of the imagination to picture the tremendous dissatisfaction that would be aroused by any arbitrary action on our part which might interfere with the actual management or the charter rights of the Canadian Pacific Railway. Is this necessary? Let us give the company time. If to-day the Canadian Pacific management were prepared to say, "We will go fifty-fifty with you in this bad business—we will apply to this situation the best business principles," I think we should be prepared to sit down with them and come to an arrangement. We have seen something along this line happen in the last few weeks in Toronto, where three principal jewellery firms merged their respective businesses into one store. Why? To reduce overhead expenses, eliminate competition and try to make both ends meet. That is what we want these two railways to do. But how can you have full co-operation unless you have unity of management? Surely it should be possible to bring this about on a fifty-fifty basis through a managing company with a neutral chairman acceptable to both railways, with the public interest further protected by the Railway Commission and the ever-present pressure of public opinion through the Government of the day. It should be possible to set up a court which would arrive at an equitable distribution of the net earnings of the joint operation. This is the only way I see in which effect can be given to the economies the public demand and have the right to expect.

Honourable senators, I regret that I have not that command of language essential to impress upon you what I regard as a very serious threat to our national credit, to the credit of the C.P.R., and to our improved trade relations with Great Britain, which we all so much desire. In my heart I feel that this is the gravest question that we have to consider. I shall vote for the amendment as being one way out of our difficulties. I regard the Bill as injurious to the national credit and still more dangerous to our financial and trade relations with the Mother Country.

Hon. J. H. KING: Honourable members, I should not have taken part in this debate had not the amendment been moved this afternoon to strike out Part III of the Bill.

I have carefully studied the report of the Royal Commission, and, although not a member of the Railway Committee, I have closely followed its discussions with respect to Part III. I have also listened attentively to the arguments advanced to-night in support of this part of the Bill. But I am not convinced that the best interest of Canada will be served by the adoption of Part III.

Let me state very briefly why I take exception to Part III. If we had a multiplicity of railways to deal with, the situation would be different; but we have two great railway systems. One is owned by the people of Canada, who, through Parliament and the Government, can tell the management to do as they see fit. The Canadian Pacific Railway is equally national in character, enjoying certain rights and privileges under its charter, and subject to the regulative control of the Board of Railway Commissioners.

I think we all realize that we are in a period of transition, and no one who has studied the railway problem of this country can say that we shall ever see a return of the railway conditions that existed some five or ten years ago. In my judgment Parliament would be well advised to indicate to the management of these two systems—both of which are national in character and closely interwoven with the affairs of the Canadian people—that they are expected to co-operate and bring about economies which will be of benefit to the treasury and to the taxpayers of Canada, and that if they eliminate the useless and costly competition that has heretofore prevailed, the identity of the two systems will be preserved. The right honourable leader says, "That is all right, but there is no punch to it." I am quite satisfied that under existing conditions we as a Parliament can safely trust the executives of both these roads to confer and to bring about every major economy that is possible.

Why should we as a Parliament intrude in the affairs of a corporation which is privately owned, and which has the rights of a privately owned corporation? Why should we impose upon it legislation that will compel it to go before a tribunal for the settlement of disputes that may arise from time to time? Why should not these executives be given an opportunity—during a period of three or four years, if you wish—to confer? We could add to the Bill a provision stating that they should report to the Government with respect

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to the plans and efforts they are making towards co-operation, and the success with which they are meeting. That would be quite proper. But I think it highly improper and undesirable at this time to impose upon them the requirements of Part III of this Bill. If, as some think, the period of reasonably profitable railway operation is at an end, our intrusion at this time may have the result of bringing another great railway to the doors of Parliament, with the request that it be relieved of its obligations to its shareholders because of the interference brought about through the introduction of this part of the Bill.

Right Hon. GEORGE P. GRAHAM: Honourable members, I had intended saying something about Part III of the measure that is now before us, but after listening to all the speeches that have been made, I think it is altogether unnecessary.

Some Hon. MEMBERS: Go ahead.

Right Hon. Mr. GRAHAM: I must chide my right honourable friend (Right Hon. Mr. Meighen) a little. He admits the fatherhood of a certain child, but says that his successor spoiled the baby. I go a little further. I say that he left, on what proved to be my doorstep, not only one child, but twins: he left two boards of directors, not one. However, he and I will discuss that later.

I want to explain my own position, and I do so without any desire to influence anyone else. When this Bill was introduced I was rather hesitant about accepting Part III, and so expressed myself in this House. But since then I have had a better opportunity than any of you, perhaps, to sit still and listen to all the arguments advanced on either side of the question. Every detail of the Bill was threshed out in committee, and the longer the discussion continued the more thoroughly was I convinced that if this Bill was not to be a non-entity, or worse, it would have to contain the principle embodied in Part III. Parts I and II of the Bill are the crystallization of good, pious wishes.

Right Hon. Mr. MEIGHEN: Hear, hear.

Right Hon. Mr. GRAHAM: I hope I shall not be thought vain if I say that no man in this House has had any more experience than I have had of trying to make railway executives co-operate, and as far as that is concerned I was a failure. I think that within a few moments I could name a dozen large expenditures in regard to which I urged the railways to get together and co-operate, and thus have only one overhead instead of two, and, while neither railway ever refused, neither ever con-

sented to the extent of meeting my desires. That is an indication of what is likely to happen if we eliminate Part III.

The railways have very zealous and very able executives, each trying to the limit of its powers to have its own way; and they, being human like the rest of us, will not find it easy to fall into line and embrace each other, even in the adjustment of small differences.

To a certain extent I agree with the honourable gentleman from Montarville (Hon. Mr. Beaubien)—which is something new—that this tribunal probably will not have very much to do. But we do not abolish a court because at a particular session there are no prisoners. We do not say that we shall not need the court any more. The fact that we have courts and that there is a process of law is a great deterrent of crime. In saying this I am not comparing the possible action of the railways with crime, but am merely pointing out my candid conviction that if we pass Parts I and II, and leave out Part III, there will be less co-operation between the railways in future than there has been during the past eight months. As I say, I do not believe the tribunal will have very much to do, but the fact that it exists and has certain powers will be an intimation to both roads—without financially hampering them, either—that they are expected to co-operate as far as possible, and that the tribunal will help them if they cannot come to an amicable arrangement unaided.

That is not a new principle at all. Almost every day the two railways are disagreeing about something. When I was Minister of Railways they were almost constantly appearing before me with respect to the location of lines. In those days that question came before the Minister; now it comes before the Board of Railway Commissioners. Before the Board of Railway Commissioners was established conditions were altogether different, but all the railways of Canada acquiesced in the appointment of a board to which their differences could be referred. Today the two companies are under the jurisdiction of the Board of Railway Commissioners, the chairman of which will be the chairman of the court set up under Part III of the Bill. There may be a little extension of authority, but it is not an innovation, and the powers of the board will be no more arbitrary than they previously were. The tribunal will not deal with big questions. Such matters as the pulling up of miles of railway are questions of policy, and probably will never come before the tribunal.

Notwithstanding the fact that I am not enamoured of a board of three trustees—I think five would be better—I yield to the opinion of the Committee. Neither am I enamoured of the Arbitral Tribunal. At one time I thought the Board of Railway Commissioners as now constituted would be able to handle the situation, but the more I heard of the reasons advanced in support of the creation of a separate body the more convinced I became that I ought to favour the Bill. So, without trying to influence anybody else, I may say that I am going to vote against the amendment and in favour of the Bill.

The proposed amendment of Hon. Mr. Calder was negatived.

The motion for the third reading of the Bill was agreed to, and the Bill was read the third time, and passed.

The Senate adjourned until Tuesday, March 7, at 8 p.m.

THE SENATE

Tuesday, March 7, 1933.

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

Prayers and routine proceedings.

CHARITY SWEEPSTAKES BILL FIRST READING

Bill I, an Act with respect to Charity Sweepstakes.—Hon. Mr. McRae.

EVASION OF INCOME TAX INQUIRY AND DISCUSSION

Hon. LAWRENCE A. WILSON rose in accordance with the following notice:

That he will call the attention of the Senate to the provisions of the Dominion Income Tax law, and inquire if it is the intention of the Government to amend the law so as to obtain closer supervision of income from bearer bonds and securities held in trust.

He said: Honourable members, am I in order?

Some Hon. SENATORS: Go on.

Hon. Mr. CASGRAIN: Yes.

Hon. Mr. WILSON: It is a miracle.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. WILSON: For the last three years my doctors had been telling me I was out of order, and my nurses said the same thing; and when, on the evening of the 16th of November last, after getting strong enough to wend my way up here to this beautiful

Chamber, I rose in my place and attempted to deliver a speech on tax evaders, I was told by the acting leader of the House on that occasion (Hon. Mr. Calder) that I was not in order. I was accustomed to reminders of that kind. However, I was sorry, for honourable members of this House missed what would have been one of the most wonderful speeches ever uttered here.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. WILSON: I had studied the matter for over a year, but, luckily, I had not given my speech to the press before rising, as I believe is sometimes done by great orators.

Honourable members will recall that I rose that evening to acknowledge with gratitude the warm and kind welcome extended to me by my right honourable friend from Eganville (Right Hon. Mr. Graham), and seconded by nearly all honourable senators on both sides. Being unfamiliar with all the rules governing this House, I naturally thought ordinary courtesy called for an acknowledgment on my part. I noticed that my right honourable friend from Eganville was chuckling up his sleeve, apparently anticipating that I would be called down; and while I know it is difficult to get even with a newspaper man, I will do my best. But I wish to thank some honourable gentlemen on this side, and all honourable gentlemen on the opposite side, for their indulgence in telling me to go ahead. Subject to certain restrictions imposed by the acting leader, I did so.

Now, let us get down to brass tacks. I think it was Gladstone who said, "Taxes make a nation of liars and thieves." As honourable senators know, and as Hansard shows, I said I had carefully studied the income tax question and concluded, beyond any doubt, that hundreds of men in affluence had evaded, in part or in whole, the payments due to the Government from their revenues; and I took the liberty, with considerable reluctance, of suggesting means of collecting from these delinquents. I feel—and know—that many of my friends have looked cross-eyed at me ever since. But let me say that I believe the officers of the Department of Finance know that there is great room for improvement. Proof that they do is to be found in the statement made on the floor of another place a few evenings ago by the Minister of Finance, Hon. Mr. Rhodes, that he would see to it that holders of bearer bonds should not escape paying income tax in respect to them. He thereby clipped my wings, and will get the credit for saving millions to our Government.

Hon. Mr. WILSON.

In a wonderful speech delivered in this House on November 24, the right honourable leader of the Government (Right Hon. Mr. Meighen) said: "If this treaty had been sponsored by someone else, these murmurings of doubt would have become a hallelujah chorus." I might use similar words with regard to the present subject-matter; but in all fairness I must say the Prime Minister harboured no doubt concerning me, as is shown by the letter he wrote to me under date of December 3, 1932. And I wish to say here that it takes a high-minded and broad-minded man to write such a pleasant letter to one of different political faith. It reads:

Office of the Prime Minister
Canada

Ottawa, December 3, 1932.

My dear old friend,—

I was glad to see your handwriting and to see what was said by you in the Senate a few days ago. It is gratifying to know you have recovered your former health and that you are able to participate in the discussions of the particular matter which you brought to the attention of the Senate.

We believe that the measures we have taken will result in our securing a satisfactory income from coupons attached to the bonds which have been cashed and not included in the taxpayer's income.

With kind personal regards and best wishes,
I am

Yours faithfully,

R. B. Bennett.

Honourable Lawrence A. Wilson,
Coteau du Lac,
P.Q.

When I received that letter the Prime Minister was on the high seas and I could not get into touch with him. He, therefore, took the wind out of my sails, and of course he will get the credit for my suggestions. You all know the Prime Minister is foolish—like a fox. But I forgive him, as well as the Finance Minister, for they belong to a school that always borrowed our policies. They must now feel that they have stolen the thunder from my guns. However, I am satisfied so long as the people get the benefit. I know that there is not an honourable member of this Chamber, nor of the other House, who is not anxious to see that every penny properly payable to the Government is collected, in order that assistance to the unemployed and the poor may be continued.

May I be permitted to inform honourable members that one of the most eminent jurists of the Dominion, who is now sitting on the opposite side, has expressed to me the opinion that the Government should not overlook the income tax collectable from interest upon mortgages held by individuals and large loan companies.

Now, let us see what other nations are doing. The following item appeared in a New York newspaper:

United States Senate Wants Federal Action over Report of Tax Evasion

Washington, January 3—In the Tea-pot Dome case a member of the Cabinet, Albert E. Fall, was sent to prison for his part in fraudulently turning over Government oil leases to big private producers. In this case the charge is made that oil companies in Oklahoma, large and small, have stolen millions of barrels of oil from their own wells to escape taxation, payment of royalties, and accounting.

And in the New York Herald Tribune of December 2, 1932, there was this:

Commerford gets Year and Fine of \$2,000.—Former Labour Leader sentenced in U.S. Court for failure to file Tax return.

Patrick J. Commerford, former Labour Leader, was sentenced yesterday to one year and a day and fined \$2,000 by Federal Judge Robert P. Paterson for failure to file an income tax return and evading the income tax law. . . .

The Herald Tribune also carried these dispatches:

Paris, November 22.—France Cites Tax Dodgers.—Summons clients of Basle Bank to explain evasion.

Wholesale summons were served to-day on clients of the Commercial Bank of Basle, Switzerland, who are wanted for questioning concerning evasion of taxes on the dividends of foreign stocks. Employees of the bank have been charged with organizing a system under which such evasion could be effected, and a number of French notables, including three members of the Senate and one Deputy, have been involved.

Some 200 clients of the bank have appeared for questioning before magistrates. Most of them face heavy fines. The bank has about 2,000 clients.

Paris, November 10.—Tax Dodgers Scandal Jars Paris.

A tax-evasion scandal said to involve some 2,000 prominent Frenchmen was revealed in the Chamber of Deputies to-night when Fabien Albertin, Socialist Deputy, called on the Government to insure that the persons whose names figure in the list would be punished.

Intervening in the lively debate which followed the disclosures, Premier Edouard Herriot declared that the Government already had pledged itself to suppress the fiscal frauds and would "continue to do its duty without respect to persons, without passion and without weakness."

A Socialist resolution which included a phrase expressing confidence in the Government then was accepted by Mr. Herriot and passed by the Chamber.

The Sureté Générale (Secret Service) opened an investigation into fiscal frauds last month and discovered that the treasury had been defrauded of millions of francs by French holders of foreign bonds evading payment of the 18 per cent tax on dividends. The authorities found that a bank in Basle, Switzerland, had collected the dividends and refunded them to its clients.

Mr. Albertin said he had a copy of the list of those who availed themselves of the good offices of the Swiss Bank.

Last, but not least, let me quote this dispatch from Washington to the Montreal Gazette of February 28:

Andrew W. Mellon Defendant in Suit.—\$220,000,000 Action taken against U.S. Ambassador and two others.

Andrew W. Mellon, United States Ambassador to Great Britain and former Secretary of the Treasury, and two former officials of the Internal Revenue Bureau to-day were named defendants in a \$220,000,000 suit charging alleged connivance with officers of foreign steamship companies to evade just income taxes.

Named with Mellon were David H. Blair, one time Commissioner of Internal Revenue, and Alexander W. Gregg, former Acting General Counsel of the Bureau.

The suit was filed in the District of Columbia Supreme Court by David A. Olson, who resigned recently as investigator for the Senate Stock Market Inquiry Committee after charging that his efforts were being blocked by Senator Norbeck, South Dakota Republican, and others on the committee.

The papers charge that Mr. Mellon not only failed to collect \$100,000,000 in delinquent taxes from foreign steamship interests, but placed the United States Government in such a position it was compelled to refund some \$10,000,000 to the companies. The identities of the companies were not disclosed in the suit.

The suit was based upon a statute of 1863 which prohibits the defrauding of the Government by trickery and makes Federal officials liable for double the amount of damages suffered by the Government.

Although filed in Olson's name, it is on behalf of the people of the United States, so that any damages awarded would revert to the Treasury Department.

Olson, through his attorneys, alleged that the Federal authorities wrongfully permitted the foreign companies to make amended tax returns based on the Revenue Act of 1921 instead of the Acts of 1916, 1917 and 1918. It was contended that the companies had refused to make tax payments on the latter three years.

Now, it is not all up to Mr. Bennett nor to the officers of the National Revenue Department to admonish those human icebergs; rather it is up to the evaders to do their duty to the State, and more particularly to the poor.

May I suggest that the Government appoint a body of men, say five experts, to examine all bonds and other securities before allowing them to be offered to the public, and thereby in great measure prevent the frauds that have been perpetrated upon our people, running into millions of dollars.

I do not think that any amendments to the present Income Tax law to effect the purpose I have in view should be retroactive except in flagrant cases, for we must bear in mind that many persons, not being accustomed to making income tax returns, may have been

guilty of infractions of the law technically but unwittingly. Some may even have overstated their income and consequently paid more tax than they were really liable for. I happen to be one of these. But, so far as I am aware, the Income Tax Department will not make any rebate in such cases.

In conclusion, I wish to say to honourable gentlemen that when I accepted appointment to membership in this House I took an oath to do my duty to the country and to the King; but if I were blocked at any step I might take in the right direction, I might as well resign my seat, as I certainly would not stultify myself for any living man. Indeed, were I to do so, I should not be worthy of the traditions of this Chamber, nor of my grand-uncle, the Hon. Charles Wilson, also of Coteau du Lac, who was summoned to this House by Sir John Macdonald in 1867, the year of Confederation—the first Senator appointed sixty-six years ago, and, strange to say, for the same electoral division as my own—Rigaud.

Let us all remember that we are only tenants here below, and that we are all working for the good of humanity at large, and in particular for the good of Canada.

Now, honourable members, as this may be my last speech in this House, perhaps you will allow me to become sentimental for a moment, and before resuming my seat, to give you this paraphrase of a little poem that I recited some forty years ago:

If my friends have alabaster boxes laid away,
 full of fragrant perfumes of sympathy and affection,
 which they intend to break over my dead body,
 I would rather they would bring them out
 in my weary and troubled hours, and open them,
 that I may be refreshed and cheered by them
 while I need them. I would rather have a plain coffin,
 without a flower, a funeral without a eulogy,
 than a life without the sweetness of love and sympathy.
 Let us learn to anoint our friends beforehand for the burial.
 Postmortem kindness does not cheer the burdened spirit.
 Flowers on the coffin cast no fragrance backward on the way.

Hon. C. C. BALLANTYNE: Honourable members, when I entered the House to-night I had no intention of speaking on the subject to which I shall direct your attention in a moment or two.

The honourable senator from Rigaud (Hon. Mr. Wilson) has been my very dear friend for thirty or forty years. I am delighted to see him in such health and vigour this evening, and I sincerely trust that the speech he has just delivered will not be his last, but that he will be spared for many years to give to this Chamber and to the country at large the benefit of his wide business and financial experience. I do not intend to deal with

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the points raised by the honourable member, as no doubt the right honourable leader of the Government (Right Hon. Mr. Meighen) will do so.

The subject I wish to bring to the attention of honourable members is this. The American Government, as the House is aware, levies income tax on dividends from investments in United States held by Canadians residing in Canada. Many thousands of dollars, yea, probably hundreds of thousands of dollars for all I know, have been paid by Canadian citizens to the American Government. But our Government does not levy income tax on the handsome dividends from Canadian investments held by Americans residing in the United States. True, our Government will allow a Canadian subject to deduct from his income tax return the amount of the income tax paid by him to the United States Government; but I would point out that this is so much revenue lost to Canada. Our Government could in all fairness secure a very large revenue from American citizens drawing dividends from Canadian securities by simply amending the Income Tax Act and treating them in the same way as their Government treats Canadian citizens drawing dividends from United States securities.

Some years ago I took this matter up with the Hon. Mr. Euler, the then Minister of National Revenue. At his suggestion I gave him my views in writing. Apparently their fairness and justice appealed to him, for he sent a couple of his officials to Washington to discuss the matter with the proper American officials, and to tell them that unless the Washington Government would agree to introduce reciprocal legislation, the Ottawa Government would have no alternative but to amend the Income Tax Act and bring within its scope American citizens drawing dividends from Canada. The American officials acknowledged the fairness of the proposal and said, "We will draft a reciprocal Bill." It became known as the Hawley Bill, Number 79. This Bill was referred to a Congressional committee and was never heard of again.

To-day the honourable Minister of Finance is searching every avenue with revenue possibilities. I have communicated with him on the subject and also with the Prime Minister, and they have it under consideration at the present time. Of course, I do not know what action the Government will ultimately take with respect to it. I wish to-night, however, to take advantage of the opportunity afforded me by this matter having been brought before the House by my honourable friend

(Hon. Mr. Wilson), to press upon the Government the necessity of Canada's taxing Americans in the same way that Canadians are taxed by the United States. Certain of my financial friends in Montreal have said: "Oh, no. Do not do that. If it is done, it will drive foreign capital away." I never could see the force of that argument. The Americans who would pay income tax to our Government would have the amount so paid deducted from their income tax in the United States. This being so, I do not see how the tax imposed by Canada could in any way whatsoever drive foreign capital away.

Hon. Mr. WILSON: Hear, hear.

Hon. Mr. BALLANTYNE: I am not speaking with any personal feeling, although I have had to pay a considerable sum of money, over a long term of years, to our American friends. But as a Canadian citizen I very much dislike paying an income tax to the American Government when there is no reciprocal arrangement whereby our Government receives something in return. I think the time has arrived when the Government should press upon the American authorities the justice of that reciprocal Bill becoming law. If it does not become law, I do not see why the Dominion Income Tax Act should not be amended at this session of Parliament so that American citizens who draw very large dividends from industries in Canada would have to pay a tax here.

The other day a friend of mine in Montreal received from Baltimore a communication from which it appeared that the authorities on the other side thought a small amount was due to them. My friend did not think so. This document said: "If this is not settled within ten days, action will be taken to seize your property." Communications of that kind are percolating from the United States and reaching goodness knows how many of our Canadian citizens. As I say, I have no feeling, either privately or officially, against our friends across the line, but surely the time has come when a course such as I have outlined should be followed by the Government of Canada.

Hon. Mr. WILSON: Hear, hear.

Right Hon. ARTHUR MEIGHEN: Honourable members, the notice before the House simply calls attention to a very obvious tax necessity in Canada, and asks whether it is the intention of the Government to take steps to remedy the situation. The answer to the question is yes. After most careful deliberation a Bill is now being prepared—if it has not already entered the other House—for the purpose of meeting the very demand urged to-day by the honourable gentleman from

Rigaud (Hon. Mr. Wilson). I cannot claim to be familiar with the provisions of the measure, nor could I divulge them if I were. I am sure, however, that honourable senators will realize the truth of the assertion that it is going to be very difficult to frame any measure which will wholly stop all the loopholes of escape so far as income tax on bearer bonds is concerned. Canada is different from most countries in that a vast extent of its territory is situated alongside that of a great and powerful country whose banks—when they are in operation, as they will be again—can easily be utilized to conceal the identity of the source of the income which it is sought to tax. Very careful thought has, I know, been given to the question. It is time it had, because Canada undoubtedly has lost large sums of money through this system of evasion, and we are all interested—we know that at least one of our number is intensely interested—in seeing that this drain upon the exchequer is stopped at an early date.

I join with my honourable friend to my right (Hon. Mr. Ballantyne) in expressing gratification at seeing the honourable senator from Rigaud (Hon. Mr. Wilson) among us again, apparently in good health and animated by a desire to be of use to this Dominion. I am sure that one and all welcome him, and hope that the good health so happily restored to him will long be his.

Coming to the subject of the remarks of the honourable senator from Alma (Hon. Mr. Ballantyne), I may say that I am not in a position to discuss it with any air of finality, but I cannot resist the temptation to comment on the law to which he has referred. It has long been in force in the United States, and is applicable, of course, not only to citizens of Canada, but also to people of other countries who happen to hold securities issued in the Republic to the south. One can understand the equity of a tax imposed on holders of securities issued in a particular country, provided that it applies to the people of that country as well as to people of other countries and is in effect at the time the security issues, purchasers being thereby notified that they are to be subject to the claim of the Government. But the tax in question does not possess these equitable features. It is a tax levied against the outsider—it is an attempt to replenish the treasury of the United States by reaching into the pockets of the neighbours of that country—and is applicable to issues that reached the public before the tax was imposed. The Government of the United States authorized by law the sale of bonds and other securities to

people in other countries, and, having obtained their money, it subsequently, by its own act, returned to its own treasury part of the moneys which, by the terms of the securities, no doubt, were to be paid to those people. I do not like to apply the language which comes to my mind with regard to legislation of that type. Any person who buys any security in his own country buys it subject, of course, to the overriding power of the Government of that country, to which he owes a duty. But the situation is entirely different when he buys a security issued in another land. He does not buy it subject to any overriding power of that other country's Government to tax him, because he owes no duty at all to that country.

The honourable senator to my right (Hon. Mr. Ballantyne) urges that we take steps to get even with the United States by passing corresponding Dominion legislation. I am not in a position to discuss the merits or demerits of that suggestion. For myself I should not like to see the Dominion of Canada following, if it could be avoided, an example that seems to me sinister. I hope that something in the nature of international equity may be secured by a correction on the other side of the line.

INCOME WAR TAX BILL (SPECIAL TAX)

FIRST READING

Bill 20, an Act to amend the Income War Tax Act (Special Tax).—Right Hon. Mr. Meighen.

SALARY DEDUCTION BILL

FIRST READING

Bill 38, an Act to amend the Salary Deduction Act, 1932.—Right Hon. Mr. Meighen.

PRIVATE BILL

SECOND READING

Hon. H. H. HORSEY moved the second reading of Bill 16, an Act respecting the Synod of the Diocese of Saskatchewan and to change its name to "Synod of the Diocese of Saskatoon."

He said: Honourable members of the Senate, the petitioners for this Bill, namely the synod of the diocese of Saskatchewan, are desirous of having that diocese divided, inasmuch as it covers virtually half of the Province of Saskatchewan. The southern part of the present diocese of Saskatchewan will become the diocese of Saskatoon, and the northern part will become the diocese of Saskatchewan. Nearly all the provisions re-

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quired to bring about this division of the diocese come under provincial jurisdiction. For example, the physical boundary line between the two dioceses, the division of property, and the setting up of the new diocese of Saskatchewan itself will be dealt with by the Legislature of the Province of Saskatchewan. All that is desired by this Bill is an alteration in the incorporating Act of 1882, whereby the name will be changed to the diocese of Saskatoon and that diocese will be permitted to function under the charter of the original diocese of Saskatchewan. The Bill of 1882 came to the Federal Parliament because the Province of Saskatchewan was not established until 1905. The present Bill is non-contentious, and has already been passed by the other House.

Hon. Mr. CASGRAIN: I am not opposed to the Bill, but as this is a religious matter—

Hon. Mr. HORSEY: It will go to the committee, of course.

Hon. Mr. CASGRAIN: No doubt about that. There are many dioceses in the province from which I come, in Ontario, and elsewhere. I have been here for thirty-three years, and it seems strange to me that this House should be called upon to make such a change. This is a church business, and surely any church, whatever its denomination, should have the right to make a diocese wherever it wishes. We are very fortunate in having such a leader as we have in this House, and perhaps the right honourable gentleman (Right Hon. Mr. Meighen) would be good enough to enlighten some of us with respect to this Bill, for we always like to have some idea of what we are doing.

Hon. Mr. HORSEY: The object is merely to have an amendment made to the Act of 1882, so that the southern part of the present diocese of Saskatchewan will become known as the diocese of Saskatoon.

Hon. Mr. CASGRAIN: I am not against the Bill, but I should like some explanation.

Hon. Mr. GILLIS: If I understood the honourable gentleman correctly, the present diocese of Saskatchewan is to be divided, the southern part to be known as the diocese of Saskatoon and the northern part as the diocese of Saskatchewan.

Hon. Mr. HORSEY: Yes.

Hon. Mr. GILLIS: I think that from a geographical standpoint the names are not appropriate. Saskatoon is looked upon as being in the northern part of the province.

Hon. Mr. HORSEY: Prince Albert will be the northern see.

Hon. Mr. GILLIS: I understand that. What I am suggesting may not be of very much consequence; but I imagine it would be better to have the southern diocese named the diocese of Regina, after the provincial capital, which is in the south, and the northern part might be named the diocese of Saskatchewan, or of Prince Albert.

Hon. Mr. McMEANS: What kind of church is it?

Hon. Mr. HORSEY: The Episcopal Church. The petitioners have asked for these names, and I think they ought to know what names they prefer.

Hon. Mr. GILLIS: It seems to me that it is rather a mistake to have the dioceses named as the honourable gentleman says they are to be.

Right Hon. Mr. GRAHAM: Change the Bill in committee, if a change is desired.

Right Hon. Mr. MEIGHEN: The point raised is one which I think would occur to the mind of a thoughtful person. When I read the title of the Bill I was at a loss to understand why the Parliament of Canada should be dealing with a provincial diocese. It appears, though, that if the diocese is to be divided it must be done by Dominion statute, since the synod of the diocese was incorporated by the Dominion in 1882, before the Province of Saskatchewan was established. The Church now desires to have two dioceses instead of one. The local Legislature will create the northern diocese, and under this Bill the southern diocese would be known as the diocese of Saskatoon, named after the city which apparently is the church capital of the southern part of the province. The jurisdiction undoubtedly is provincial now, but the Acts in force at the time of the establishment of the province can be amended only by the Parliament which passed them.

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

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

Hon. Mr. HORSEY: With the consent of the House, I should like to have the Bill go to committee to-morrow. The ecclesiastical authorities are very desirous of having the measure passed as quickly as possible, as they are to have a meeting on Sunday.

Some Hon. SENATORS: Pass it now.

Hon. Mr. HORSEY: With the consent of the House, I should be glad to have the third reading now.

Hon. Mr. GILLIS: No.

Hon. Mr. HORSEY: It means only a change of one word in the Act.

Hon. Mr. McMEANS: Have the third reading to-morrow.

Hon. Mr. GILLIS: I object to the third reading now.

The Bill was placed on the Order Paper for third reading to-morrow.

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

THE SENATE

Wednesday, March 8, 1933.

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

Prayers and routine proceedings.

PRIVATE BILL

FIRST READING

Bill 23, an Act respecting The Saint Nicholas Mutual Benefit Association and to change its name to "Ukrainian Mutual Benefit Association of Saint Nicholas of Canada."—Hon. Mr. Griesbach.

FEDERAL ELECTION COSTS

INQUIRY AND DISCUSSION

Hon. W. E. FOSTER rose in accordance with the following notice:

That he will call the attention of the Senate to the abnormal cost, both to candidates and the country, of federal elections, and inquire if the leader of the Government would consider the question of the appointment of a select committee of this House to consider and report upon such action as would materially reduce the cost thereof.

He said: Honourable members, had I given the subject-matter of this inquiry some further consideration before placing it on the Order Paper, I might perhaps have altered it somewhat, particularly as it relates to members of the other branch of Parliament and may be regarded as something with which this House should not deal. In the second place, I might have hesitated to discuss it because many honourable members, having had wide experience in public life, have had opportunities to become conversant with the cost of conducting elections as that cost affects the candidates, the political parties and the country. That experience has been gained from the

fact that they have been candidates for the House of Commons, or for the provincial legislatures, or have been leaders of their respective parties in the provincial arena, either as premiers or as leaders of the opposition. Indeed, one member of this House is an ex-prime minister of the Dominion. Those of our members who have not taken such an active part have at sundry times contributed towards the party funds, in order that their party machinery might function successfully and place their party in office. If any honourable members have not so contributed, some perhaps have solicited funds on behalf of their party. That they were chosen to do so is proof of the confidence reposed in them by their party leader. At times we have heard these activities condemned, but I think the thanks of the people of Canada should be tendered to any honourable gentleman who in a proper and legitimate manner has solicited party funds in order that our parliamentary institutions may be carried on.

When I first placed this inquiry on the Order Paper an honourable member asked me, "Why should you worry about the cost of elections?" I replied: "I am not worrying. I have already had my worries." But, under rapidly changing conditions like the present, one never knows when one may, for some reason or other, be seeking the suffrages of the people. Quite apart from our personal ambitions in this respect, some of our sons and daughters may wish to devote their talents to the service of the country, but at the present cost of conducting elections I do not think they would receive very much encouragement from those of us who have had experience of what this involves.

Probably like several other honourable members, I have had a somewhat varied experience of electioneering. In my early youth I sought a seat in the Legislature of my province in order that I might through legislation give effect to certain ideas that I believed would further the interests of the people rather than would the ideas put forward by my political opponents. As to whether my ideas were crystallized into legislation or not, we will pass that by. As the leader of my party in the local Legislature, I was able to observe the mysterious methods of winning and losing elections, the expense thereby incurred, the ways of obtaining the necessary funds, and the need for reform in this regard.

Many of us have had intimate knowledge of the difficulty confronting a party leader through his being hampered by political considerations in the carrying out of his policies.

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I have heard it stated that the leader of a party should not know anything about campaign funds. Perhaps he should not know anything about their origin, but I do not believe that the leader of any party ever brought about an appeal to the electorate without first having some idea at least of the financial needs of his party. In my short experience of leading a party on two or three occasions, I must candidly acknowledge that before forcing an election I did know one thing—that the amount of campaign funds in sight was only about 25 per cent of what the public thought it should be.

Those of us who have had such experience have also had an opportunity to observe that because of the expense of conducting elections it is difficult to induce desirable men to become candidates. Undoubtedly this expense is out of all proportion to what it should be, and it would astonish the man in the street to learn what a financial sacrifice candidates are called upon to make. In a word, the expense of conducting elections is beyond what a political party can afford to incur without resorting to methods which, to say the least, may be termed questionable.

During recent years we have seen election costs mount higher and still higher. True, by reason of increase of population in the Province of Quebec, upon which our unit of representation is based, we have seen our constituencies grow larger and larger, and the greater mileage to be covered in the constituencies, together with the extension of the franchise to our women and the increase in the number of voters, has very materially increased election costs. Motor cars have replaced horse-drawn vehicles and other cheaper means of transportation previously used to bring voters to the polls. Campaign literature in enormous quantities is required at the present time in order that the electors may be informed as to the various issues of the day and the policies of the different parties. There is no doubt that under our present system of government the public should be educated in regard to the various proposals that the political parties of the country have to place before them. Therefore advertising, in the press and otherwise, has increased to such an extent that it is now a very expensive undertaking. Radio broadcasting and other essential forms of publicity are likewise very costly. Political clubs and party organizations also require a great deal of money for their maintenance, and funds for that purpose must be drawn largely from private sources. The encouragement of such organizations among the younger generation and among the women

tends to produce a larger number of individuals who are willing to perform voluntary services for their respective parties; therefore I think it well that such organizations should be maintained, and I believe they are productive of much good. The enormous sum of money required for all these things which I have mentioned, and which are essential under our present system, must be found somewhere, and the task of finding it is becoming more and more difficult.

Without wearying the House with details, I should like to point out, if I may, some of the things which go to the building up of the large expenditure under our present system of establishing our government. First, as honourable gentlemen know, when the dissolution of Parliament takes place, it is thought proper—and I think it is well that it is so regarded—that the leaders of our respective parties should tour the country from coast to coast, so that the people at large may become more familiar with the issues of the day and the policies that the parties have to place before them. Naturally, such an undertaking is very costly. Usually the leader of a party is accompanied by some of his lieutenants. As they tour the country, going from place to place, meetings fitting to the occasion must be organized and conducted at various points. I know that in a city of 50,000 people, in order to provide proper arrangements for such a meeting, including radio broadcasting and certain other necessary things, a minimum expenditure of \$1,000 is required. The utilization of that great invention, the radio, including hook-ups, so that the people may hear their master's voice, as it were, involves the expenditure of a very substantial sum of money; and it has been said that not less than \$1,000,000 is required for the proper organization of a central office for the carrying on of a political campaign. This money is used in a perfectly legitimate manner, but sometimes I think it is spent too lavishly.

Now I come, for a few minutes, to another phase of providing for our system of party government, namely, the expenses of the candidates in the two hundred and forty-five constituencies, extending from the Atlantic to the Pacific. Figure it out for yourselves and you will find that the total involved would be tremendous, even if a minimum amount were spent in each of these constituencies. You will find that the cost in each is entirely too great for an ordinary individual to assume, and that a candidate, if he is to make any showing at all, either must have considerable means of his own in order to carry on an independent campaign, or must depend upon party funds.

Let us examine the situation from the standpoint of the cost to the candidates and to the country. We all know that following the announcement of an election nominations take place in various constituencies, and that if a candidate has not at his disposal sufficient means of his own he must be furnished with funds to start the machinery in motion. For the hiring of premises as headquarters, the preparation of lists, the expenses of speakers—for these and various other purposes money must be paid. Our system demands that that money be raised somewhere in order that the people of a certain locality may have a representative in the House of Commons. Those who have taken part in elections in recent years will bear me out, I think, when I say that the purchasing of votes, or corruption of that kind, has not of late been practised to any great extent. For this I think we should be very thankful. But expenditures for legitimate purposes, some of which I have mentioned, have increased by leaps and bounds and the problem confronting party managers and candidates to-day is such that, in my opinion, in the interest of the country generally, some action should be taken to minimize such costs.

I think I am safe in saying that that is a problem which cannot be solved by one party accusing the other of doing things it should not do, or of employing methods which are not just what they ought to be. Neither can the situation be remedied simply by some apostles of purity holding up their hands in holy horror when they discover that some individual or corporation has made a contribution to party funds, and perhaps the passing of certain legislation, which has neither prejudiced nor helped anybody, has thereby been facilitated. Even the press in some parts of the country has been critical of the way in which money has been contributed to political funds, although some of these newspapers have received a portion of that money through advertising revenue, and in many cases the rates charged for political advertising are higher than the regular rates.

Money is obtained in various ways, most of which I believe are legitimate and fair, in order that the expenses properly incurred by candidates may be paid. We all know, and the public know, that these things are done. But I believe that the country is too poor, under present conditions, to continue the crude and expensive methods which have been practised in the past, and I think it is high time that the problem be squarely and fairly faced. Hence my bringing this inquiry before the House.

The question is, what can be done to reduce the costs that now have to be borne by candidates on both sides, by their parties and the country? I have already stated that perhaps a committee of this House may not be a proper body to undertake an inquiry into this subject, because there might be a feeling that we were infringing on the prerogatives of another branch of Parliament. But if, as I have suggested, a committee were appointed, it would not, I think, have very much difficulty in obtaining expert advice along the lines that I am going to mention. It would not have to go very far afield to get valuable information with regard to the present cost of carrying on elections. The scope of the reference would have to be wide, the committee being directed to examine into the whole question of the cost of running a political party, and the nature of campaign expenditures, and to consider how the Election Act might be amended, and what proportion of the present costs could reasonably be made a charge on the treasury of the country, as well as whether any reduction could be made in those costs.

I have had experience in the running of elections in rural as well as in city constituencies, and I think the committee would find that in an election campaign one of the first tasks of a rural political organization is to provide a number of copies of the voters' list for each voting division in the riding, in order that the candidate may be in touch with the electors. In accordance with the present law the returning officer furnishes two copies of the lists to each candidate, and the Government pays for them. These lists are sometimes incomplete, and as in any event a candidate requires at least ten copies of them, he has to have a great deal of copying done at his own expense. If he is in a hurry to get the lists, he has to employ a battery of typists, and in a constituency of, say, fifty subdivisions—which would be a small constituency—the cost for this work would run to about \$500. I believe that all the lists required should be furnished by the Government, through the returning officer, and that the candidate should not have to bear any expense in connection with the preparation of them.

Then in every constituency the candidates require the use of buildings or halls for the purpose of addressing the electors. All over this country there are a number of public buildings, many of which are owned by the municipalities, the provinces or the Dominion, and most of those constructed in recent years, as well as some of the older ones, contain large and well appointed audi-

Hon. Mr. FOSTER.

toriums suitable for the holding of public meetings. I believe that all such buildings in this country should, under certain restrictions, be placed at the disposal of electoral candidates so that they may properly inform the people on the issues of the times. After all, these buildings are owned by the people themselves, and it is the country's business that would be discussed at such meetings. If candidates were given the free use of auditoriums in this way, they would be saved a great deal of personal expense.

Many candidates nowadays also find it necessary to use the radio for the broadcasting of addresses, and radio service should be available for this purpose at a modified rate. The broadcasting companies enjoy certain privileges granted to them by the Government, and surely it is not too much to expect that once every four years candidates should be able to have the use, at reasonable charges and for reasonable periods, of broadcasting stations. Of course, the addresses could be censored beforehand. In this way candidates could get into touch with the voters at a comparatively low cost. According to a recent newspaper item, some of the broadcasting stations are to be taken over by the Federal Government, and such stations certainly should be made available in the way I have suggested.

The committee could also inquire into the cost of political advertising in newspapers. Personally I have no quarrel with the press, for it has always been fair to me; and I think that, generally speaking, it is liberal in the space that it gives to the reporting of speeches during election campaigns, and in this way it furnishes the public with the views of candidates on both sides. But I do take exception to the cost of political advertising in newspapers. If one who has charge of the money to be spent on advertising in a political campaign approaches the advertising manager of a newspaper, with a political notice in one hand and an advertisement for the sale of some commodity or animal in the other, he will find—at least in many cases—that the rates for the political notice are higher than those charged for the commercial advertisement. Now, I think that with a little co-operation between the various political parties and the newspapers themselves this situation could be changed and candidates would be able to use newspaper space at ordinary rates.

I think also that candidates should be able to make a limited use of the mails, without cost, during election campaigns. I do not suggest that we should permit the mails to be cluttered up with campaign literature, or letter carriers to be burdened with this kind of

material. A great deal of political publicity matter, when mailed from headquarters at Ottawa, is carried free; but I am not suggesting that campaign literature be sent free, even when addressed by a candidate to electors in his own constituency. My idea is that during a campaign candidates should be permitted to deposit such literature in post offices and that this should be distributed without cost, to persons who call for their mail; and that in rural sections the literature should be distributed along the routes within the vicinity of the post offices in which it is deposited. Such a service would not result in a material cost to the country, but it would save candidates a lot of money.

Under the law, candidates are required to have a representative in each polling subdivision, and many of these representatives have to be paid. I have always thought it is most unfair that a candidate should be required to hire someone and pay him to sit in a polling booth for the purpose of seeing that the law of the country is carried out. After all, that is the reason the representative is there, and surely it is only right that the country should pay for service of that kind.

My experience has shown me that the compiling of lists in cities could be improved on to a very considerable extent. At present these lists are made up in alphabetical order, but I believe it would be better to have streets made the basis of the lists, and the voters listed in the order in which their residences are numbered on the streets. If this method were followed, the compilation could be more rapidly and less expensively done, and some of the impersonation carried on under the present system would be prevented, for the voters when reading the lists would readily detect any error in the names of their neighbours.

The extension of the franchise has meant a large increase in the campaign expenses of candidates. The practice of conveying voters to the polls, although illegal, is carried on openly, with the consent, no doubt, of both parties, and the expenses in this connection have grown so rapidly that they have become almost intolerable. Yet, but for this system, I believe, the number of votes polled in an election in our country would be very small. I find that in the 1921 election 70 per cent of the voters on the lists polled their vote; in 1925 the percentage was 69; in 1926, 70; and in 1930, 76. I have here a list showing, by provinces, in percentage, the number of votes polled in the 1930 election, in proportion to the number of names on the voters' lists. It will be seen that the largest percentage, 89, was in Prince Edward Island, and the smallest, 66, in Alberta. It may be that

there was some special reason for the comparatively small vote in Alberta, and that some honourable member will be able to enlighten us in that connection. The percentages were as follows:

	Per cent
Ontario..	71
Quebec..	76
Nova Scotia..	83
New Brunswick..	83
Manitoba..	75
British Columbia..	73
Prince Edward Island..	89
Saskatchewan..	81
Alberta..	66
Yukon..	82

I think honourable members will agree that the percentage of votes polled was, on the whole, reasonably high. But, as I have already said, much of that good record is attributable to the fact that large numbers of voters were conveyed to the polls at the expense of candidates. I believe that this custom can be largely wiped out by the adoption of compulsory voting, which I personally favour, on the principle that the franchise has ceased to be a favour conferred and has become a duty imposed—a duty of citizenship, and that no one who is able to go to the polls should be allowed to evade that duty. Certainly candidates should not be obliged to pay for the transporting of voters to the polls. As I say, I believe that if voting were compulsory it would no longer be necessary to convey electors to the polls; but if the people are in favour of a continuation of this transportation service, the only way to relieve the candidates of the costs, it seems to me, would be through conscription of the requisite number of motor cars. This would become necessary only once every four years, or whenever an election was on, and the burden would not be very great.

Compulsory voting is not a new thing, but perhaps I may be a little in advance of public opinion in advocating it for this country. I am not aware of just what countries have adopted it. Some time ago I wrote to the Chief Electoral Officer of France and obtained from him a copy of the election law of that nation, and in that law there are many features which I believe could be adopted to advantage here. I also obtained a copy of the Australian election law from the Chief Electoral Officer of the Commonwealth, who informed me that compulsory voting was introduced in his country because of the very small percentage of votes polled in the election of 1922, it having been contended that the will of the people was not properly reflected by such a vote. He pointed out that in 1922

only 59 per cent of the voters used their ballots, but in 1925, when compulsory voting was in force, the percentage rose to 91, and in 1926 it rose again to 93. I know that there are always certain objections to introducing new methods, but I believe it would be well for us to examine the election laws of France and Australia with a view to seeing whether we could not benefit by the adoption of some features of their legislation.

I believe also that a very large expenditure could be saved the country in this way. As honourable members know, to conduct a federal election it is necessary to have an army of returning officers, deputy returning officers, poll clerks and constables. As a rule, our federal elections take place only once in four years, and I see no reason why the civil servants and municipal and provincial officials throughout the country should not be utilized to conduct these elections. The money thereby saved could be used for the purpose of defraying expenses which now have to be borne by candidates, and which I think should be borne by the country.

Personally, I think that general elections, more particularly under compulsory voting, should be held on a holiday, and I believe that in time to come all our elections will be held on a Sunday. With compulsory voting in operation our people might very well exercise their franchise on the same day as they discharge their religious duties. I believe that if our elections were conducted on a Sunday the electors would be more impressed with the solemnity of the occasion and would vote in a more conscientious manner than under present conditions. In this regard I think the State and the Church should work together, for it is just as much the duty of the electors to record their votes and so express their views with respect to national affairs as it is for them to attend divine service on Sundays.

It has been suggested in some quarters that contributions to campaign funds should be made public. I do not share that view. I do not think the publication of campaign funds would cure the evil of excessive election costs, and conceivably it might lessen necessary contributions from legitimate sources. As I have already pointed out, the evil to-day is the excessive cost of elections to the country, to the Government and to candidates. True, this excessive cost has perhaps been brought about by what we have recently heard mentioned so often, namely, competition, but I doubt that any arbitral tribunal would be able to bring about a satisfactory condition of affairs in this respect.

Hon. Mr. FOSTER.

Nevertheless competition between the two great political parties accounts for some of the excessive election costs. I think the only way to cure the evil is to strike at its root. Only then will it be possible to bring election costs within reasonable bounds.

I am aware that this House cannot deal with the matter at the moment, but as one who has had the costly experience of five election campaigns, I have brought the matter forward, not in the expectation of bringing about an immediate reform, but in the hope that discussion of the subject, with its accompanying publicity, may tend eventually to accomplish the purpose that I have in mind. If a frank and fair discussion will help to prevent the recurrence of some political tragedies which I have witnessed in my province, and in other spheres, and which were due to the need of large sums of money for election purposes, I shall feel that I have been instrumental in originating a movement that will eventually bring about some of the reforms I have suggested.

Hon. Mr. BLACK: I have been informed that certain honourable members desire to speak to this motion, and therefore I move the adjournment of the debate.

The motion was agreed to, and the debate was adjourned.

CANADA SHIPPING BILL

FIRST READING

Right Hon. ARTHUR MEIGHEN introduced Bill J, an Act respecting Shipping in Canada.

The Bill was read the first time.

SECOND READING

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

Right Hon. Mr. MEIGHEN: Honourable members, with the consent of the House, I move the second reading now. But before the motion is put I desire to make an explanation of the measure and a disclosure of the position that the printing and other preparatory work are in.

I do not anticipate that the House can deal with either the merits or the principle at this sitting, nor indeed this week. The term "principle" as applied to this Bill strikes one as inappropriate, because the Bill treats of so many phases of shipping that it has no particular or individual principle, but embodies many principles. It is an exceedingly comprehensive and lengthy piece of legislation; in fact, the largest in point of volume of any that I have ever seen introduced. It will be at once apparent to all honourable

members that the committee to which this Bill is to be referred, and indeed this House, will have a formidable task before them.

We in Canada, throughout our history, have not had the responsibility of regulating Canadian shipping in its entirety. Our shipping has been regulated under the provisions of the Imperial Merchant Shipping Act. The responsibility comes to us now because of the passing of the Statute of Westminster, which enables the Parliament of Canada, if it so desires, to repeal sections of Imperial statutes applicable to this Dominion and to substitute some law in lieu thereof. The Bill is intended to meet this provision of the Statute of Westminster, and at the same time to remodel the Merchant Shipping Act of Canada so as to bring it more into conformity with present circumstances and developments; and, as well, it has for its object the embodiment, and indeed the interpretation, of a considerable number of conventions on the subject of shipping, one entered into by the nations of the British Commonwealth, the others, through international conference, by many nations of the world.

The latter phase of the Bill I will deal with first. The purpose of this review is that honourable members may have upon to-day's Hansard a sort of manifesto on the general terms of the Bill and may refer to this in preparation for the work to come before us more immediately, and in better form, next week.

The two agreements known as the Safety Convention and the Load Line Convention are the results of international conference and have already been in existence some years, having been adopted in 1929. These conventions, however, are not by this Bill simply recited and made part of the law of Canada by statute. The British Parliament adopted a different method. Instead of merely making the conventions law, it passed an Act which interpreted the conventions as applicable to the United Kingdom. In this way the duty imposed upon the courts was not the duty of interpreting the meaning of the conventions as actually arrived at by the plenipotentiaries, but rather the duty of interpreting the will of Parliament as to the meaning of the conventions. This may strike honourable members as a somewhat unusual method of adopting a convention, nevertheless it is the method followed by the Imperial Parliament. I dare to presume that the interpretations there given are not in direct violation of the language of the conventions. Inasmuch as the British Parliament has followed this course—for this reason and perhaps

for others—we adopt it here, and Parliament will be asked to express in this Bill its interpretation of the provisions contained in the conventions and of their general effect.

Four other conventions are also, in a sense, made part of this legislation:

(1) The International Convention concerning Seamen's Articles of Agreement, adopted at the International Labour Conference at Geneva on the 24th of June, 1926.

(2) The International Convention concerning the Reparation of Seamen, adopted at the International Labour Conference at Geneva on the 23rd of June, 1926.

(3) A Convention as to the Marketing of Heavy Articles.

(4) A Convention as to the Inspection of Ships' Tackle.

These conventions involve a large number of changes in the law of shipping, and their incorporation into the fabric of our existing shipping law has turned out to be a somewhat laborious performance.

At this point I think I might terminate my references to the Bill in so far as it seeks to confirm existing conventions. For the rest, it is in the main a rewriting and improvement of the present shipping law; but as well it is an incorporation into the shipping law of certain other legislation, already in effect, which more appropriately comes under shipping legislation as part of the Merchant Shipping Act, and which in process of incorporation is also subject to certain intended improvements.

In this connection I might refer, first, to the Maritime Conventions Act, Chapter 126 of the Revised Statutes of Canada. This Act has been incorporated in the new revision and is now made a part of the permanent shipping legislation of Canada.

Another Act, the Water Carriage of Goods Act, Chapter 207 of the Revised Statutes of Canada, is of such a nature that it would be appropriate to embody it here, but inasmuch as there may be reason for the repeal of this Act within a relatively short space of time, it has not been thought fit to make it a part of the present Bill.

The Radiotelegraph Act, Chapter 195 of the Revised Statutes of Canada, was considered, and under the advice of the Radio Branch it was decided to amend the Act by eliminating all provisions therein contained relative to radio telegraph apparatus on ships, and to incorporate in this revised Canada Shipping Act so much of the Radiotelegraph Act as relates to ships, with the necessary amendments to bring it into conformity with the Radio conventions. The altered provisions will be found in Part VIII of the present measure.

The Merchant Shipping Act of the United Kingdom, passed in 1894, and since amended about twenty-seven times, is repealed by enactment of the Parliament of Canada; that is to say, the passing of this Bill will have the effect of repealing those provisions of that Act which heretofore have been applicable to Canadian shipping.

On the important amendments to the existing legislation, I might refer first to the penal provisions. A new method has been adopted in this respect. The Bill is of immense length, and a great variety of offences are re-enacted in its provisions. In order to avoid circumlocution and for greater convenience of reference, at the close of the section which re-enacts an offence there appear the words: Penalty, so many dollars—we will say one hundred dollars. Then later in the measure there is a provision that anyone violating any section of the Act shall be liable to a penalty not exceeding the penalty stated at the end of that section. Thus anyone reading only that section knows just what penalty he will be subject to for its violation. This is a new principle of drafting, adopted so far only in the Commonwealth of Australia. It seems to me an excellent principle and well worthy of adoption by us.

The interpretation sections, which in the existing legislation are severed and made applicable to various Parts of the law, are in this measure collected and made generally applicable.

I do not know that I need go much further in my explanation. Perhaps it would be well, however, to say that the classes of voyages are reduced to four—foreign-going voyages, home trade voyages, inland waters voyages, and minor waters voyages. I believe the eastern limit of the home trade voyages has been changed from Father Point to Green Island. Honourable members, especially those living by the sea, will realize that different regulations apply to the different classes of voyages—regulations as to the standard of service and the standard of employees and officers who must be in charge and take responsibility.

The Bill has many features of interest to labour. I understand it has been submitted to the Labour Department and these features have been approved.

The subject of the registry of ships is, of course, a new feature. Previously ships were registered under the Imperial Shipping Act, and there arose the question whether we should retain the title "British ships" or should adopt the new title of "Canadian ships." It has been decided to retain the title

Right Hon. Mr. MEIGHEN.

"British ships," as in that way the oneness of the great British mercantile marine is maintained. We have as much right to use the title "British ships" as have the people of the British Isles, and we distinguish only in this way, that under this measure our ships become British ships of Canadian registry.

Under the Bill also the right of registration of a British ship of our registry belongs to British subjects. The majority control must be in British subjects. I believe that under the law of to-day, which provides that a company owning a British ship must have its head office in Canada, the courts have held that the mere existence of a head office in Canada does not necessarily entitle a company to registry of a ship here. What really controls is the locus of those who, if necessity arose, could determine the destiny of the property. Thus it becomes impossible for a company of foreign incorporation to adopt the device of merely incorporating a Canadian company, which it owns, and then having the Canadian company own the ship. All these subjects are taken care of in the present Bill.

The remaining features of the Bill appertain merely to amendments of the present law. They are so exceedingly numerous and of such minor importance that I should not feel that I was serving the House properly if I attempted to delineate them here. I know I am speaking the mind of all honourable members when I say we will address ourselves to this task—and a very big task it is—with that determination to be of use to the Canadian people, especially the shipping fraternity of our country, which has characterized the endeavours of this House in relation to important legislation in the past.

Right Hon. Mr. GRAHAM: This is a very important measure, and I presume it will go to a committee.

Right Hon. Mr. MEIGHEN: Oh, yes.

Right Hon. Mr. GRAHAM: We are not in a position to say very much about it from any knowledge that we have. One thing that I wanted to ask—perhaps the question is altogether unnecessary, and it may be due to my stupidity—is whether the interpretations of these conventions by this Parliament will coincide with the interpretations by the British Parliament.

Right Hon. Mr. MEIGHEN: That is a very important feature; so important that I should have referred to it. The answer is in the affirmative. The interpretations are so framed, as indeed are many other features of the Act, as to be in conformity with corresponding Acts of the other Dominions and of Great Britain.

While I am on my feet I should frankly tell the House that the Bill has not yet been printed for distribution. The translation into French, of necessity, takes a long time. I understand it will not be ready for distribution until next week. I intend to move later that when the House adjourns to-day it stand adjourned till Monday at eight o'clock, in the hope that by then the Bill will be ready. Meantime, if honourable gentlemen do not object, it might be well to give the Bill the second reading, allowing the appropriate reservations to be made. As this is distinctly a matter of commerce, I think the Bill could properly be referred to the Committee on Banking and Commerce. That committee is of a size to deal with so important an enactment. Then, the Bill having been referred to that committee, we might adjourn on the understanding that the committee will not undertake its work until honourable members have had a reasonable time to look over the provisions of the Bill and prepare for their labours in the committee.

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

On motion of the Right Hon. Mr. Meighen, the Bill was referred to the Standing Committee on Banking and Commerce.

PRIVATE BILL

THIRD READING

Hon. Mr. HORSEY moved the third reading of Bill 16, an Act respecting the Synod of the Diocese of Saskatchewan and to change its name to "Synod of the Diocese of Saskatoon."

Hon. A. B. GILLIS: Honourable members, when this Bill came up yesterday I asked the honourable gentleman in charge of it whether it related to the whole of the Province of Saskatchewan. It is rather unfortunate that fuller explanatory notes were not available, for they would have saved a good deal of bother. Since 1882 we have had in Saskatchewan the diocese of Qu'Appelle and the diocese of Saskatchewan. The object of this Bill is to divide what is known as the diocese of Saskatchewan into two parts. To that there is not the slightest objection, and if the honourable gentleman (Hon. Mr. Horsey) had explained that instead of two dioceses in Saskatchewan there would be three, I should not have objected to the third reading.

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

CHARITY SWEEPSTAKES BILL

MOTION FOR SECOND READING—DEBATE ADJOURNED

Hon. A. D. McRAE moved the second reading of Bill I, an Act with respect to Charity Sweepstakes.

He said: Honourable senators, it was in the absence of the honourable senator from Victoria (Hon. Mr. Barnard) that I assumed the responsibility of asking the Senate to consider again the legalizing of sweepstakes in Canada. I am sure that all honourable senators join with me in expressing pleasure at seeing the honourable senator again in his seat, and I know they will appreciate my embarrassment in speaking to this Bill when the father of the measure is here in person. However, as there are a few slight changes in the Bill, it is perhaps well that I should make my remarks on it at this time.

It is not necessary for me to review the debate that took place on a similar Bill last year. I wish, however, to refer to one statement I made at that time, namely, that in my opinion the majority of the people of this country were in favour of legalized sweepstakes. I refer to this because of the developments which have taken place since. At that time, as I remember it, the honourable senator from Red Deer (Hon. Mr. Michener), in questioning the soundness of that observation, said that I was taking in too wide a circle; and perhaps some other honourable senators felt the same way about it. As a matter of fact, I afterwards learned that the press of my own city had similar views on the subject, and in rather critical editorials took me to task for speaking in support of the Bill introduced by the honourable senator from Victoria. The Daily Province of my home city, under date of February 13 of last year, had this to say in concluding an editorial on the subject:

If we are a bit surprised at Senator McRae's advocacy of this fallacious thing, we are not one little bit impressed by it.

I mention this as being indicative of the public sentiment in my home city at that time. Yet, ten months later the swing of public sentiment in regard to this matter was so great that the City Council was obliged to submit a plebiscite on the subject of sweepstakes to the people of Vancouver at the municipal elections held in that city on December 14. My attention is called to this by a letter from the City Solicitor, who sends me a statement prepared by the

returning officer giving the results of the plebiscite poll. The plebiscite is:

Are you in favour of legalized sweepstakes, to be operated under the direct control of the British Columbia Government for the benefit of hospitals within the province?

The vote on that question was: Yes, 25,735; No, 9,774. In other words, seventy-three per cent of the total votes cast were in favour of Government-controlled sweepstakes, and only twenty-seven per cent were against them. Roughly, that is in the proportion of three to one.

Closely following that vote was the vote of the British Columbia Hospital Association. Of the ninety-seven members who met in conference at that time, seventy-seven voted for legalized sweepstakes, and twenty against them. That is four to one in favour of sweepstakes.

Following that again, on the 1st of March of this year, we have the unanimous resolution of the Union of Municipalities of British Columbia asking that the Government of that province, in the election to be held next summer, will take a plebiscite on this question, their hope being that such a plebiscite in the Province of British Columbia, supported by similar plebiscites in other provinces—which they are asking the Unions of Municipalities in those provinces to sponsor—will result in sufficient pressure being brought to bear on the Federal Parliament to induce it to legalize the holding of sweepstakes in such provinces as may desire to have them.

I mention these matters as my justification for again bringing this subject to the attention of this honourable House. I believe the increasing sentiment in favour of sweepstakes is not confined to British Columbia; there is undoubtedly a growing sentiment throughout the Western Provinces. I have observed in a recent news item that the members of the Labour Congress of Canada have expressed themselves favourably in regard to it. I have in my hand a letter from the Office of the Prime Minister of Ontario, saying that on January 4 of this year a deputation from the Trades and Labour Congress of Canada waited on the Ontario Cabinet to present certain resolutions, among which was one reading as follows:

That legislation be enacted legalizing sweepstakes in Ontario.

While we all realize that it is not within the power of the Ontario Government to pass legislation in regard to this matter, which is the responsibility of the Federal Government, nevertheless that resolution may well be taken as an expression of opinion of the Trades and Labour Congress of this country.

Hon. Mr. McRAE.

Now, honourable senators, perhaps I should give a terse review of the Bill which is submitted for your consideration. In doing so, I take it that if the principle of the Bill is approved by this honourable House, the measure itself will in due course be referred to committee, where the various clauses will be considered in detail, and, if necessary, amended.

In general, this Bill is the same as the Hospital Sweepstakes Bill, which was introduced in the Senate last session. In keeping with the more general use for the moneys which it is proposed by this Bill to raise through sweepstakes, the title of the present measure has been altered to read "An Act with respect to Charity Sweepstakes." Section 2 of the Bill of last year provided that the Attorney-General of any province might authorize:

a sweepstakes for the purpose of raising money for the benefit of one or more hospitals within such province.

Those words have been changed to read:

a sweepstakes for the purpose of raising money for the welfare of the sick, destitute and maimed within such province.

Throughout the Bill the word "charity" or "charities," as the case may be, has been substituted for "hospital" or "hospitals" as used in the previous measure.

The only other outstanding change is in section 5. This section of last year's Bill read as follows:

Tickets for a sweepstakes authorized to be conducted in accordance with the provisions of this Act shall not be sold in Canada by or through the mails except for delivery within the province wherein such sweepstakes has been so authorized.

Now, as I see it, the difficulty in connection with that clause is to be found in the fact that our mails, as we all know, are being and will continue to be used for the forwarding of lottery and sweepstakes tickets. I believe it is not good policy knowingly to make a large number of our citizens lawbreakers, as they are to-day. Therefore the following has been proposed as the present section 5:

5. Notices for the sale of tickets for a sweepstakes authorized to be conducted in accordance with the provisions of this Act may be advertised in newspapers, magazines and periodicals published only in the province within which the sweepstakes is authorized.

(2) Agents or solicitors for the sale or promotion of sweepstakes tickets shall not be authorized or appointed in any province in Canada other than the province within which the sweepstakes is authorized.

This is a matter over which there may be some difference of opinion, but I feel that this section is fair and reasonable, for it gives

to our people who live in provinces that may not authorize sweepstakes the right to purchase and receive tickets by mail.

Except for these changes that I have mentioned, the present Bill is the same as the one of last year. I might, perhaps, remind honourable members that the object of that measure was to authorize the conduct of a sweepstakes in any province that desired it, by and under the direction of the Attorney-General of such province—in other words, the Provincial Government. If honourable members will read section 3 and its numerous subsections they will find that very careful details have been worked out for safeguarding the sale of tickets under the direction of the Attorney-General of any province that may authorize sweepstakes.

We have heard many estimates with respect to the revenues which might accrue under this Bill. I have gone to considerable trouble to ascertain the incomes of the Irish lotteries. The London Observer of November 22, 1931, reports that the net receipts to Irish hospitals from the four sweeps of that year were over two million pounds sterling, that is, over \$10,000,000, after all expenses had been paid. This morning I received a cable from a recognized authority, and I pass on the information therein contained with confidence that it is correct. This information is that from the three sweepstakes held in Ireland in 1932 the gross receipts were eleven million pounds sterling, or \$55,000,000. There were given away in prizes approximately seven and a half million pounds sterling, or \$37,500,000. The estimated expenses are one million pounds sterling, or \$5,000,000. And the Government has taken its tax, as it does from our pari mutuels. The sum turned over to the Irish Government in taxes last year was half a million pounds sterling, or \$2,500,000. There was left for the hospitals the net sum of two million pounds sterling, or \$10,000,000. This is practically the same amount as the previous year, which goes to show that there is no depression in the sweepstakes business. Reduced to percentages, the sum given away in prizes was, roughly, 68 per cent of the total receipts, expenses were 9 per cent, taxes 5 per cent, and the net contribution to the hospitals 18 per cent of the total takings.

The only other information I have been able to gather is with respect to our own Army and Navy Veterans' sweepstakes, which were formerly conducted in Newfoundland and are now, I am told, operated from Quebec City. This organization is doing a very commendable work of charity, and although it is operating under great difficulties, it succeeded in col-

lecting on the Derby race alone last year something over \$1,100,000. I hold in my hand a membership ticket which says:

19th Charity Distribution Fund, \$1,000,000. Distribution decided by the Grand National.

That indicates confidence in this year's programme. Of course these operations are carried on within the law. It is to be noted that this is the nineteenth charity subscription, and I am informed that very large sums of money have been given by this Association to the Red Cross and other outstanding charities for the relief of our citizens who are in need.

If Southern Ireland, with three and a half million people, can carry on sweepstakes so successfully as it has done for some years, we can draw our own conclusions as to what should be possible in this country, with its eleven million people of similar inclinations and with neighbours as rich as those of the Irish. Certainly the prospects of revenue are, to say the least, dazzling to those endeavouring to meet the demand of charity in the present situation. I sometimes wonder—and I say this without any offence—how long it would take to pass a Bill of this kind if it were supported by every honourable senator and every member of the House of Commons who has a sweepstakes ticket in his pocket or who has possessed one in the past year. Not long, I should say. In the present serious situation, honourable senators, we cannot afford to be hypocritical. It is a bad thing to have a law that is openly broken by the majority of our citizens, to the general knowledge of everyone, and, may I say, with general approval. No useful purpose is served by legally denying our people what they are determined to have. It is unnecessary for me to remind honourable members of the long struggle that was carried on in connection with prohibition, when attempts were made to prevent entirely the use of liquor. Our neighbours to the south proceeded almost to the brink of ruin in trying to enforce a prohibition law which the great majority of Americans did not want, and which their Government is now in the process of repealing.

After all, the moral question involved in sweepstakes is not greatly different from that which was involved in the liquor problem. We have not hesitated to take profits from the liquor business in this country. Tens of millions of dollars have come to the treasuries of the provinces and of the Dominion from the sales of liquor. We have accepted the principle of lotteries in the pari mutuels, from which our governments also receive a revenue. In Ireland, where the Church has charge of the morals of the people, do you

find any strong protests against sweepstakes? Indeed, do you find any protests at all? And church bazaars, which involve the same principle that is the basis of sweepstakes, though in a modified form, are in vogue in almost every country.

Furthermore, why not give our people the opportunity of a little relief from the gloom of depression, especially when the result would be to the benefit of the sick, the destitute and the blind, and crippled veterans? Surely in so doing we should not be undermining the morality of the Canadian people.

I know that many persons oppose sweepstakes because of the fear that they would result in decreased direct contributions to charities that did not get a share of sweepstakes revenues. I think that fear is not well founded. Not many contributors to general charities will deduct from their givings the few odd dollars that they may spend in sweepstakes tickets, while thousands of people who are never reached in the ordinary charity campaign will purchase tickets in a sweepstakes.

I hardly need call the attention of honourable senators to the dire situation that confronts the people who are endeavouring to meet the rapidly increasing demands of charity. As we all know, the depression has resulted in greatly decreasing the number of subscribers to charity, whose hearts are the same as they were in the past, but whose pockets are now empty; and many of those subscribers who continue to give have been forced to reduce the amounts of their contributions. In fact, many parts of this country are facing nothing short of hospital bankruptcy. In the city from which I come, the Vancouver General Hospital, which is in the first rank of the fine hospitals of this country, owes the banks \$250,000 and cannot borrow any more money. It is faced with the necessity of cutting down its services at a time when they are needed more than they ever were before.

Many people say that we should have increased provincial grants for our hospitals. That is something I have long advocated, but there is no use in talking about that to-day. The provincial governments are obliged to make drastic cuts in their budgets and they are all certain to reduce hospital grants. Our cities in British Columbia are finding it equally difficult to raise sufficient revenues for their needs, and I suppose that is true of municipalities in general all over the country. I read in a newspaper that the City Council of Moose Jaw stated the estimates for the year would have to be reduced

Hon. Mr. McRAE.

by \$170,000, in order that the mill rate might be kept unchanged, on account of the failure of so many people to pay their taxes. The newspaper article went on:

On motion of Alderman Fletcher, seconded by Alderman T. Warner, City Council moved that the cost of hospitalization of indigent patients be taken over by the Government. Alderman Fletcher said the city could no longer provide hospital facilities for those unable to pay. The deficit for 1933 would be \$24,000 in addition to the fixed charges of \$15,000. The motion was unanimously adopted.

With the economic situation gradually becoming worse, and the increasing of demands upon our governments and people to help the unemployed, some charities which in the past used to touch our hearts most deeply, such as those that care for the blind, are now almost forgotten. In the light of the facts I have mentioned, can we and should we deny to any province that wants to avail itself of the unexplored source of revenue proposed in this Bill, the right to do so? I say candidly to honourable senators that this is almost the only source of revenue that has not been explored. It should be borne in mind that the rights given by the Bill would be exercised by a committee of citizens whose status in charitable work is recognized in their province and who have been appointed by the provincial Attorney-General. The whole operation of the sweepstakes would be safeguarded in every respect by the Attorney-General and his Provincial Government. Under such conditions, I ask again, should we deny that right to any province which desires it? The Bill merely proposes to give the right to a province that wants it; no province would be compelled to adopt sweepstakes. Furthermore, it prevents the advertising and sale of sweepstakes tickets in any province other than one that authorizes the sweepstakes. I do not wish to assume the responsibility of denying to our provinces this source of revenue, which promises to give some relief in meeting the rapidly increasing calls for help from our unfortunate fellow citizens—the sick, the destitute, and the maimed.

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

INCOME WAR TAX BILL (SPECIAL TAX)

SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill 20, an Act to amend the Income War Tax Act (Special tax).

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

THIRD READING

Right Hon. Mr. MEIGHEN, with the leave of the House, moved the third reading of the Bill.

Right Hon. Mr. GRAHAM: It is identical with the Bill of last session?

Right Hon. Mr. MEIGHEN: Yes.

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

SALARY DEDUCTION BILL

SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill 38, an Act to amend the Salary Deduction Act, 1932.

Hon. Mr. HUGHES: The effect of this and the preceding Bill is to impose a super tax.

Right Hon. Mr. MEIGHEN: All taxes are super taxes now.

Hon. Mr. HUGHES: This is class legislation. This Bill applies to members of Parliament, and the preceding Bill applies to judges, while other members of the community are not similarly taxed. Although there is a good deal to be said in favour of this legislation, still it is class legislation.

Right Hon. Mr. MEIGHEN: Other members of the community have had their remuneration reduced by other means, and it is not necessary for Parliament to interpose.

Hon. Mr. HUGHES: Does not the same thing apply to members of Parliament and judges?

Right Hon. Mr. MEIGHEN: Not in respect of their indemnities and salaries.

Hon. Mr. HUGHES: No; but certain members of the community, because of their business activities, are in receipt of very large incomes.

Right Hon. Mr. MEIGHEN: Not many.

Hon. Mr. HUGHES: Some, at all events. They are escaping such a tax as this. Why should it not apply to everybody?

Right Hon. Mr. GRAHAM: Honourable members, I supported similar legislation last session, and advocated such a measure as this before it was introduced. It struck me at the time that when people were being taxed nearly all they could bear, those who enact legislation taxing their neighbours might well set an example by reducing their own incomes from government sources. I think that was really the reason for the legislation. True, we are all taxed the same as

our fellow citizens outside of this House, but in addition to income such as the rest of the community may get from their businesses we get an indemnity from the public treasury. I for one think that as an example, in times like these, we might well approve of this measure and thus show the people throughout the entire country that what we advocate for them we are willing to apply to ourselves.

Hon. Mr. HUGHES: But we are doing more than that.

Right Hon. Mr. GRAHAM: I understand that fully, but we are in a different position: we are drawing from the treasury of the Dominion an amount that other citizens are not drawing. There is no loss on our indemnities. Many a man who has had a large income in the past would be quite willing to-day to take any of our places and accept a \$3,600 income.

Right Hon. Mr. MEIGHEN: Hear, hear.

Right Hon. Mr. GRAHAM: I am certainly in favour of this legislation so far as the members of both Houses are concerned.

Hon. Mr. FORKE: Honourable members, I am in favour of this Bill, but I think this is the time when it might be well to point out how different is the position of honourable members from the far East and the far West as compared with the position of honourable members who, living in Toronto, Montreal or places similarly distant, are able to go home over the week-ends. During the two months' recess honourable members from Manitoba and the other Western Provinces had to retain their apartments here while they were at home. I have been attending Parliament now for eleven years. Not having been used to handling large sums of money, \$3,600 looked very impressive to me, but I have never found it a money-making matter to come to Ottawa for the parliamentary sessions. I do not find fault with the ten per cent deduction; in fact I am ready and willing to pay it; but I think it just as well to mention how differently the indemnity affects various members of this House.

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

THIRD READING

Right Hon. Mr. MEIGHEN, with the leave of the House, moved the third reading of the Bill.

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

INTERNATIONAL EXHIBITIONS

APPROVAL OF CONVENTION

Right Hon. Mr. MEIGHEN moved:

That it be resolved that it is expedient that Parliament do approve of the Convention relating to International Exhibitions, and the Protocol of Signature, signed at Paris on the 22nd day of November, 1928, on behalf of the Government of Canada, by the plenipotentiary named therein; and that this House do approve of the same.

He said: Honourable members, this convention was signed at Paris as far back as 1928 on behalf of Canada by the Hon. Philippe Roy, our plenipotentiary there.

The convention is of an international character, and was signed initially by Canada, Australia, Great Britain, France, Germany and Italy. It is now in force by reason of ratification by the following countries: Albania, Germany, Belgium, Spain, France, the United Kingdom, Italy, Morocco, Rumania, Sweden, Switzerland, Tunis, the Netherlands, Czechoslovakia, Portugal, Denmark, and Poland.

On the 22nd of October, 1930, the Canadian Government informed the French Chargé d'Affaires at Ottawa that it intended to ratify the convention. The delay in ratification has been due to our awaiting the signature of the convention by other nations.

The effect of the convention is very simple. It provides regulations governing the organization and management of international exhibitions. Such international exhibitions are defined. One ingredient of the definition is that to come within the terms of the convention international exhibitions must be at least of three weeks' duration. These nations agree not to lend assistance to any international exhibition that does not come within the terms of the convention and does not abide by the regulations thereof, both in its organization and management.

A bureau is established, comprised of representatives of the signatory powers. Its maintenance is estimated to cost £4,000 a year, to be divided among the member countries in proportion to their respective contributions to the League of Nations. The bureau will have control of the administration of the Act, with power to limit the number of exhibitions, to see to it that they are fairly distributed, and that in their management and organization they come within the terms of the convention.

The motion was agreed to.

Right Hon. Mr. MEIGHEN moved:

That a message be sent to the House of Commons informing that House that the Senate doth unite with the House of Commons in the approval of the Convention relating to International Exhibitions, and the Protocol of

Right Hon. Mr. MEIGHEN.

Signature, signed at Paris on the 22nd day of November, 1928, on behalf of the Government of Canada, by the plenipotentiary named therein.

The motion was agreed to.

The Senate adjourned until Monday, March 13, at 8 p.m.

THE SENATE

Monday, March 13, 1933.

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

Prayers and routine proceedings.

FEDERAL ELECTION COSTS

DEBATE ADJOURNED

On the Order:

Resuming the debate on the question proposed by Hon. Senator Foster:—

To call the attention of the Senate to the abnormal cost, both to candidates and the country, of federal elections, and inquire if the leader of the Government would consider the question of the appointment of a select committee of this House to consider and report upon such action as would materially reduce the cost thereof.

Hon. Mr. BLACK: I adjourned the debate at the request of a fellow senator who desires to make some remarks on this question.

Hon. Mr. McRAE: Honourable senators, I move that this debate be adjourned until Wednesday.

Hon. Mr. CASGRAIN: It is in the name of the honourable senator from Westmorland (Hon. Mr. Black).

Hon. Mr. BLACK: I do not intend to speak on this motion.

Hon. Mr. DANDURAND: Would my honourable friend have any objection to allowing me to move the adjournment until to-morrow, so that I may have an opportunity of speaking to it then?

Hon. Mr. McRAE: I am quite agreeable.

Hon. Mr. McMEANS: How are we going to conduct our procedure? The name of the honourable senator from Westmorland (Hon. Mr. Black) appears on the Order Paper. Another senator moves the adjournment of the debate.

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Mr. BLACK: Honourable senators, I move the adjournment of the debate.

Right Hon. Mr. MEIGHEN: Before the motion is put, it might be well to give an

opportunity to any honourable members who are prepared to speak on this motion to-night. I should not object to the debate being adjourned later, but if any honourable members are prepared to speak to-night there is no reason why they should not proceed now.

Hon. Mr. CASGRAIN: I think I have found a speaker.

The Hon. the SPEAKER: The question is on the motion to adjourn the debate. Is it your pleasure to adopt the motion?

Hon. Mr. CASGRAIN: One moment.

The motion was agreed to, and the debate was adjourned.

CHARITY SWEEPSTAKES BILL

MOTION FOR SECOND READING

The Senate resumed from Wednesday, March 8, the debate on the motion for the second reading of Bill I, an Act with respect to Charity Sweepstakes.

Hon. JAMES MURDOCK: Honourable senators, here we find ourselves in March, 1933, discussing under a different caption a proposal that was very thoroughly discussed in June, 1931, the principle of which was disapproved by this House. In 1931 the Bill was presented to us as "an Act with respect to Hospital Sweepstakes"; it now comes to us under the title of "an Act with respect to Charity Sweepstakes." It has been properly said that charity covers a multitude of sins, and possibly that is the reason why the caption of the measure has been changed.

It is altogether appropriate that this measure should emanate from British Columbia. It indicates just a small outcropping of the disease which, in my judgment, is largely responsible for the troubles of the world during the past few years and at this moment. No other one thing in human history has contributed so greatly to the conditions that confront Canada and the world to-day as has the spirit of gambling; yet gambling is just what was proposed by the measure of 1931, and just what is proposed in the present measure.

I said it was very appropriate that this Bill should emanate from British Columbia, and I said it in no disrespectful way. Canada is under obligations to the pioneers who left the East or came from overseas many years ago and went out into that far western country and developed it in the way it has been developed. It was the spirit of taking a chance, of gambling, in a commendable way, with the existing possibilities and opportunities, that made Western Canada what it is to-day.

From 1914 to 1918 the people of the whole world, and particularly Canada and the rest of the British Empire, were engaged in a game of chance, gambling for home, for the future, for human safety, for everything that is worth while in life, and while engaged in that gamble many millions of men died. And we must all admit that every soldier who returned came back with the hope and belief that he could take a chance in the ordinary affairs of men and make up for the time he had lost and the sacrifices he had made. So during the past fourteen or fifteen years the whole world has been wild with the spirit of gambling and taking a chance.

The honourable senator from Vancouver (Hon. Mr. McRae), who has sponsored this Bill, told us on Wednesday last that the Vancouver General Hospital owes the banks \$250,000, that it cannot borrow any more money, and that it may have to curtail ordinary hospital facilities to the sick. I presume that means the poor sick. A condition of this kind is something to worry about. We were also told that the City Council of Vancouver ordered a plebiscite upon the question whether an attempt should be made to raise money by gambling, or by charity sweepstakes—which is just a sugar-coated name, for gambling is the right word.

Honourable senators, no other one thing has been so much of a curse to our people as the spirit of gambling. Some gentlemen who were affluent and making money in bunches a few short years ago are now, or were, on account of having indulged the spirit of gambling, in Kingston Penitentiary. And we are told—far be it from us to carry the thought further—that a great many others should have been put in there.

Hon. Mr. McMEANS: Nothing personal, I hope.

Hon. Mr. MURDOCK: Not at all. Take it for what it is worth. That is generally believed by thousands—yes, millions—of Canadians. They think that only a few poor goats were taken out of a really big flock.

As I say, we are told that the City Council of Vancouver, unable to get from its big business men in general, or from its citizens, some of whom reside in lovely mansions, the wherewithal necessary to carry on hospital facilities, ordered a plebiscite on the following question:

Are you in favour of legalized sweepstakes, to be operated under the direct control of the British Columbia Government for the benefit of hospitals within the province?

We are told that 25,735 citizens voted in favour of gambling as a means of raising enough money to carry on hospital facilities,

while 9,774 voted no, and, I presume, indicated by such vote their opinion that they are ready to go down into their pockets—and that is where they should go—for the sake of sweet charity and the hospitals.

On June 17, 1931, when this matter was discussed in the Senate, I was only a novice here. I am yet. My good friend the honourable senator from Vancouver (Hon. Mr. McRae) was not then a member of this House, and to-night I want to give him a message from a very distinguished gentleman who was at that time among us and was greatly interested in this particular question. When the honourable senator from Vancouver was speaking the other day he was lauding the results of the Irish sweepstakes, and he said:

This information is that from the three sweepstakes held in Ireland in 1932 the gross receipts were eleven million pounds sterling, or \$55,000,000.

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Mr. MURDOCK: The honourable gentleman can say "Hear, hear" a little later, when I give him the answer. The honourable senator from Vancouver went on:

There were given away in prizes approximately seven and a half million pounds sterling, or \$37,500,000. The estimated expenses are one million pounds sterling, or \$5,000,000. And the Government has taken its tax, as it does from our pari mutuels. The sum turned over to the Irish Government in taxes last year was half a million pounds sterling, or \$2,500,000. There was left for the hospitals the net sum of two million pounds sterling, or \$10,000,000. This is practically the same amount as the previous year, which goes to show that there is no depression in the sweepstakes business. Reduced to percentages, the sum given away in prizes was, roughly, 68 per cent of the total receipts, expenses were 9 per cent, taxes 5 per cent, and the net contribution to the hospitals 18 per cent of the total takings.

Now I desire to quote a very distinguished authority, one whose passing we all regret, and whose last important utterance in this Chamber was delivered on the 17th of June, 1931. I quote from page 278 of Hansard of that date:

Now keep in mind that the fund itself raised for Irish hospitals amounted to \$14,000,000. Bear in mind also that out of this the hospitals received only \$3,400,000. The gamblers and the gambling machinery necessary to accumulate the fund absorbed \$10,600,000. Those figures are stupendous. The disparity between 20 per cent and 80 per cent of that fund is the thing that strikes one. Present to a national Finance Minister, a railroad management, or a business corporation, a plan by which they could raise a fund out of which they would retain 20 per cent distribution to themselves at a cost of 80 per cent of the whole fund, and what financial concern, what industry, what railroad manager, what business corporation or company would endorse such an uneconomic and wasteful trans-

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action? That is the first thing. It is based on no economic or financial grounds which can for a moment be upheld.

But there is a wider and deeper significance yet, and it is this: From those seven millions of counterfoils which went through the big drum, and out of which the Irish nurses plucked a certain number of counterfoils—in all, less than 627 in principal prizes—what happened as a distribution of national wealth? If we take the assumption, which I think is about correct, that there were seven millions of counterfoil holders, and that out of those seven millions only 627 drew principal prizes, is not that gambling at tremendous odds? When I said that this was the apotheosis of chance I think I was justified by these figures.

Now let us carry those down a bit. In this great prize-winning contest what advantage is there to the civilized as against the uncivilized man—to the scientific as against the unscientific and unlearned? Your moron has just the same chance as the president of your university. Your ignorant Lascar on a ship in the Far East has just as good a chance as the President of the United States. One is as well endowed as the other, and no better, to compete in such a competition. All judgment, all reason, all experience, all that which has accompanied the march of the human from the jungle to twentieth century civilization—all that counts nothing for the twentieth century man.

The largest prize is \$150,000, and there are 19 such prizes. A negro out-of-work in the city of Boston drew a first prize on a horse and received \$150,000.

Hon. Mr. CASGRAIN: Hear, hear. That is good.

Hon. Mr. MURDOCK:

Where does that \$150,000 come from to this negro out-of-work? It comes out of the pockets of 60,000 fellow human beings, each of whom hands out ten shillings, and makes possible its transfer to the successful negro competitor in the city of Boston. Is that a transaction which is to be imitated? You may multiply that until you reach 10 millions and odd which went to the gamblers, yet all of the 10 millions except a number of small consolation prizes was distributed to 627 persons! That is, to get money which cost no effort, which showed no super-intelligence, but which depended entirely upon the most far-off chance, in order to pay that large amount of money to the gamblers, you had to take a contribution of 10 shillings from each of 4,200,000 persons!

Hon. Mr. LYNCH-STAUNTON: Does the honourable gentleman intend to read all the speech?

Hon. Mr. MURDOCK: I shall stop shortly, if my honourable friend will possess his soul in patience.

Hon. Mr. LYNCH-STAUNTON: It is a long speech.

Hon. Mr. MURDOCK:

Is that an economical transfer of wealth? Is there anything in finance or in economics which justifies such a transfer from a great number of people to 627 persons? I could carry this argument further, but I think I have made my point sufficiently clear.

Those are the views of the late Right Hon. Sir George E. Foster.

Now, to get down to brass tacks, what is proposed by this Bill? The Senate of Canada is supposed to be the safety valve of the nation, and to consist of intelligent, capable and dependable citizens who have discharged their responsibilities to the community, and who stand ready to require that others shall do likewise. The honourable senator (Hon. Mr. McRae) in moving the second reading of this Bill gave the House the impression that Vancouver, generally regarded as a very prosperous coast city, is pretty well up against it to secure the wherewithal for the care of its sick and of the stranger within its gates who needs hospital treatment, and that it owes \$250,000 to the bank. Apparently the city of Vancouver is not prepared to go down into its jeans—pardon the expression—and dig up the necessary money so that it may do the decent thing by distressed humanity within its municipal borders.

In order to secure the necessary funds the city proposes to launch a big sweepstake. No doubt we shall be told that this sweepstake is to be confined to the Province of British Columbia. But everybody knows that it will not be so. Everybody knows that not a single gentleman behind this proposal ever contemplated that all the money was to be raised within the province. Everybody knows that the labourer out in far northern Saskatchewan will be invited to buy a ticket for \$2.50. With what hope? With the hope of winning a prize so large that it will put him on Happy Street for the rest of his life. The sheep-herder up in the wilds of Wyoming, across the international boundary, would in some way have brought to his notice the prospect of winning \$150,000, or whatever the prize may be, at a cost of only \$2.50. The section-man up in northern Alberta would be told of the wonderful possibilities in the purchase of a \$2.50 ticket. In other words, hundreds of thousands of tickets would be issued as sucker bait to coax \$2.50 out of the poor man who has dreamed of possibilities that might be his if only he won one of these alluring prizes.

For a number of years I have seen the evil to the ordinary working man indulging in gambling. In my judgment no habit has wrought so much unhappiness in the homes of working men in this and other countries as the gambling habit on the part of the breadwinner. I have seen the evil of this gambling habit all over the United States and Canada, and I could cite numerous cases of the distress and hardship suffered among the families of our working men once those men have become infected with the gambling fever. Yet Vancouver is ready to say: "For sweet charity's

sake give us a chance to get some money to pay our hospital expenses without putting an additional tax upon our citizens."

This question, in a measure, was dealt with the other day by a distinguished world citizen when he gave utterance to thoughts on some of the elements involved in this charity sweepstakes proposal. In a message to his own people, referring generally to just the class of persons that are behind this proposal, he said:

They know only the rules of generations of self-seekers. They have no vision.

These generations of self-seekers have always been ready, and they are ready to-day, to go into any reasonably legitimate game if they can unload their responsibility and their municipal tax burdens for hospitals upon the "hunky" in the Northwest, the section-man in Alberta, the sheep-herder in Wyoming, or the sailor in Seattle; in the name of sweet charity they are quite willing to unload all their responsibility onto others, far away, at \$2.50 a head.

This same distinguished world citizen uttered some other impressive thoughts on this question, which we ought not to overlook, for some of us need to be spoken to in plain terms. He said:

There must be an end to speculation with other people's money.

This Bill proposes speculation and gambling with other people's money; with the \$2.50 a head that can be secured from the "hunky" in northern Saskatchewan, the section-man in northern Alberta, the sheep-herder in Wyoming, the sailor in Seattle—ten dollars all told, and with millions more to come from similar sources—from the poor and unfortunate who, in their chance of drawing the lucky number, see nothing but the glamour of a pot of gold at the foot of the rainbow.

To the careful thought of my honourable friend from Vancouver (Hon. Mr. McRae) and of other honourable gentlemen who think it is all right for us to try to gamble ourselves into prosperity with other people's money, I commend the policy which the same authority presented in these words:

The policy of the good neighbour—the neighbour who resolutely respects himself and because he does so, respects the rights of others; the neighbour who respects his obligation and respects the sanctity of his agreements in and with a world of neighbours.

Under the conditions so prevalent throughout the world to-day, and fairly prevalent throughout Canada, there is an obligation devolving upon us to dig down deeper into our pockets for sweet charity's sake, rather than unload our obligations upon the less fortunate in the haphazard way proposed by this Bill.

This same authority when speaking to his people the other day referred to the consolation which comes from paying our taxes to take care of all legitimate needs, and above all to take care of the sick and indigent in our hospitals. He said:

Happiness lies not in the mere possession of money; it lies in the joy of achievement, in the thrill of creative effort. . . . These dark days will be worth all they cost us if they teach us that our true destiny is not to be ministered unto, but to minister to ourselves and our fellow men.

Apparently many people in this country will not be able to realize that "happiness lies not in the mere possession of money" until they get a still more severe jolt than they have yet experienced during this depression.

To my mind, honourable senators, it is nothing short of a national misfortune that the Senate of Canada, composed presumably of gentlemen who can "stand the gaff" of paying their way and doing that which as upright citizens they are expected to do, should be seriously discussing this proposal to unload our obligations upon the less fortunate, upon the poor and the downtrodden, perhaps upon the poor fellow working in a northern Ontario camp for his board and five dollars a month. Such a man would be tempted to buy one of these sweepstakes tickets for \$2.50, or 50 per cent of his month's salary.

So it seems to me that this proposal should not go one step further in the Senate of Canada. I can imagine the eloquent pleas that will be made to show that it is perfectly legitimate to inveigle the other fellow into assuming burdens that are not his own, and handing over his good money, which perhaps he cannot afford to give. That practice has been going on for years. That is one reason why the world is in the situation that it occupies to-day; that is why the banks of the United States have had to close for the past few days; and that is what is going to cause hardship and disease to a degree greater than has ever before been known in Canada, unless we give a reasonable lead, tighten up our belts and show a disposition, man-fashion, to play the game and assume the obligations that belong to us. Therefore, I very much hope that this Bill will be killed as promptly as possible.

Hon. Mr. MACDONELL: Would my honourable friend answer one question?

Hon. Mr. MURDOCK: Certainly.

Hon. Mr. MACDONELL: In the early part of his speech the honourable gentleman referred to the time the soldiers spent over-

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seas as time lost. Those men, as my honourable friend well knows, were risking their lives, and paying the penalty, fighting for their King, for the Empire, and for the honourable gentleman himself. Would the honourable gentleman kindly explain to the members here assembled just what he meant when he said that the soldiers' time was lost.

Hon. Mr. MURDOCK: I am glad the honourable gentleman has brought that up. I know something about soldiers. I had two sons at Mons on the day the Armistice was declared. One of them is in a soldier's grave. I know also that before I was two years old I was left an orphan because my father died fighting for his country. Yet I may say this, that tens of thousands of those soldiers who fought thought they had lost their time, and many of them were only too anxious to make up, as they thought, for lost time. In many cases their judgment was wrong. I am speaking with some knowledge of what they were thinking. My honourable friend need not try to suggest that I am belittling the necessity of what was done. I am prepared to put my record, my family history, alongside that of any honourable member.

Hon. Mr. MACDONELL: I never yet knew a returned soldier, whether he was overseas for a week, a month, a year, or four years, who counted as lost the time he spent there.

Hon. Mr. MURDOCK: I am afraid that my honourable friend has not had the advantage of hearing the same kind of language that I have heard from returned men. I say that without the slightest disparagement of any of those men. The honourable gentleman possibly has not been in the same environment, and has not had the same opportunity of getting the "low-down" in regard to what some of them were thinking. That is my judgment.

Hon. J. P. B. CASGRAIN: Honourable senators, I had not intended speaking to-night, nor had I made up my mind about this Bill, but what the honourable gentleman from Parkdale (Hon. Mr. Murdock) has said has removed any doubt as to how I should vote, and has convinced me that I should vote for it.

Hon. Mr. MURDOCK: I knew that.

Hon. Mr. CASGRAIN: The honourable gentleman said that in Ireland \$55,000,000 was received from sweepstakes. That amount of money would be very useful in Canada to-day. I always thought, by reason of the place he occupies in the labour world of this country, that my honourable friend was a

good sport, and that he was a man who knew human nature; but I find he does not know anything about it. The gambling spirit is prevalent everywhere. I have not got it, but all the people I know, even the members of my own family, have it—and I suffer by reason of that. I thought a man who was so close to the working people would realize the prevalence of that spirit. Yet for the sake of \$2.50 he would deprive them of the thrill of thinking that in six months or so they might be the winners of a fortune. Think of the fun those people could have. Honourable gentlemen ought to hear the members of my household. They buy a ticket and think they are going to wear diamonds and have everything their own way, and that they will not need papa any more, because they are going to win. That alone is worth \$2.50. It is the cheapest entertainment you can give anybody. It takes two, three or four months, I am told, to learn the result of the sweepstake, and there is joy in every house in the country where the people have a ticket, because they think they are going to make money. Is that not worth while? Hope is one of the finest things in the world. We all believe that.

Fifty-five million dollars is a great deal of money to go to a little place like Ireland. If we do not do something to keep our money here, it will go somewhere else. I think people are bound to gamble, and surely a man of my years should know a little about human nature. My honourable friend (Hon. Mr. Murdock) spoke of the pari mutuel, which is recognized and operated throughout the country. Every time you put up your money in that way, ten per cent of it goes to the pari mutuel; so if you bet ten times your money is gone.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. CASGRAIN: But you have had the thrill—you have had the pleasure. Look at what is happening at the race-courses. If you go to the Woodbine or to the Montreal Jockey Club you will find a crowd of people, and everybody is happy. Why try to make people miserable? Why deprive them of hope? I thought the honourable gentleman from Parkdale (Hon. Mr. Murdock) was a good sport, but he is not a sport at all. Gracious me! Of course, I am not prepared to make a speech and did not intend to make one.

Hon. Mr. MURDOCK: May I make a suggestion?

Hon. Mr. CASGRAIN: No, thank you. I am not prepared to make a speech and had not intended doing so. I had doubts whether

I should vote for the Bill. But if people are going to gamble and throw away their money, how are we to stop them? In the old days there was the Louisiana Lottery, and I believe enormous sums of money from this country went into it. Every year the Derby is run, and in every club in the country there is a sweepstake on it, and many people buy tickets, and a great deal of money goes out of the country.

See how clever they are in England. About a month ago, or less, the Government said, "We will not send any munitions for use in the war between China and Japan." In spite of the League of Nations a fine war was going on—fine for the Japs—and England, in order to ensure fair play to both, refused to send arms to either. Then the Chinese said: "That is not fair. Japan has been arming for a long time and we have not, and therefore we have no munitions." Only to-day I read in the paper that England had said, "We are not going to stop the shipment of munitions to China and Japan if other countries are going to send them," and now England will join in the procession and will send all the munitions that are paid for. Well, I say, if others are going to have sweepstakes why should we not have them? Why chase the money out of Canada? People will gamble. I do not believe anybody in this House will tell us that there will not be a Derby sweepstake and an Epsom sweepstake. Why should we not imitate the good old Mother England and say that if others are going to have sweepstakes we are going to have them too?

The honourable gentleman (Hon. Mr. Murdock) was so carried away by his own eloquence that he told us three times about a section-man in Alberta, a sheep-herder in Wyoming, a sailor in Seattle, and a labourer in Saskatchewan who were going to lose \$2.50 apiece. If those people want to spend their money, they might as well spend it in Canada. I think our right honourable leader (Right Hon. Mr. Meighen) ought to agree with me in that, because the Government wants everything to remain in Canada. The Government, too, ought to support the Bill, because it will keep the money in the country.

I am sorry, honourable members, that I was not prepared to make a speech, and I must apologize for these few rambling remarks. I should not have spoken had I not been convinced by the honourable gentleman from Parkdale that I should support the Bill.

Hon. J. H. RAINVILLE: Honourable senators, it gives me great pleasure indeed to support the motion for the second reading of

this Bill. I listened to the honourable senator from Parkdale (Hon. Mr. Murdock), who without any question, I think, made out the very darkest case possible in regard to the gambling feature of this measure. He practically limited his remarks to gambling pure and simple, gambling of the worst kind; but there is another side to this Bill.

I am not going to blame the Province of British Columbia for being the promoter of this Bill. I come from the city of Montreal, where I have lived for a good many years, and where every year I have seen charities carried on and hospitals built with the money freely and willingly subscribed by wealthy people. I could point to many members in this House who have given, and given again, to the support of hospitals and other charities of various kinds in the city of Montreal.

The honourable senator from Parkdale tried to make out a case against the Bill because this matter had been the subject of discussion in this House for the last three years. If that is true, and if no one has been able to find a better method of raising money, then, I say, we must eventually adopt this method, because money must be raised. What has happened? The millionaires who used to subscribe large sums to all kinds of charities in Montreal, Toronto, and elsewhere, are no longer millionaires, and if these charities are to be maintained some means of raising money must be found. The reason for my absence from the Senate for the last two weeks was that I was collecting money in Montreal for charity. It is a difficult task, very difficult, and I am wondering whether our success is going to be proportionate to the effort expended.

Money must be found for charity; money must be found for hospitals. Where are we to get it? I am not afraid of the word "gambler." We are all gamblers. From the very founding of the first colony in this country our people have been gamblers. They gambled on Canada—and they were not wrong. They gambled on everything. Even our farmers in the West, when they used to go south in 1928, 1929, 1930 and 1931, were gambling on a good crop the next year. Throughout the country our people have been gambling.

There is no use in going to-day to the man who was previously a millionaire and saying, "You must put up a certain sum," for he has not the money. If, after listening for the last three years to arguments about hospitals and charities, no member of this honourable House has found any other way of raising money for these purposes, I say that we should carry the second reading of this Bill and send it to com-

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mittee; and then, if it is wrong in any respect, we should find out how it can be improved. The main principle is charity.

The honourable member from Parkdale (Hon. Mr. Murdock) was speaking about the debt of the hospitals in Vancouver. I wish he would come to Montreal, go around the hospitals there and ascertain for himself the condition they are in: he would then think twice before making out a case against gambling alone; he would look more sympathetically on the charitable side of the question.

He made the point, which he elaborated, that it would mean coaxing money out of the poor man. Now, I know that in Cuba and Mexico sweepstakes are operated and that in many cases they lead to abuses; but nothing of the kind could happen under this Bill, for it places the control of sweepstakes in the hands of the Government of any province that desires to make use of this legislation.

It is true that the scheme proposed here would result in having contributions made by the general public—gamblers, if you wish—for the support of hospitals and other charitable institutions. I say frankly that in my opinion it would be better—if it were possible—to have the control of sweepstakes in the hands of the Federal Government and the receipts handed over by it to the various provinces that desired to participate; and I would try to discuss that before a committee.

Now, honourable senators, just a word of warning. There is so much distress and suffering in this country at present that it would be unfortunate that we should need three years to discover some means of remedying the situation. We had better make up our minds to try something. This Bill is a means proposed by the honourable senator from Vancouver (Hon. Mr. McRae). I for one accept it, and shall vote for it heartily, because it seems to me to have merit. Someone may suggest that a special tax be imposed to raise additional revenue for hospitals and charities. But all honourable senators know what a large amount of money our Government is spending on direct relief now. There is a limit to taxation. The central Government cannot take care of all the requirements of relief, federal, provincial and municipal. We want to help those who are in immediate need, and we should do it now. If we pass this Bill, we could repeal it or amend it in a year from now should we find that it was not working satisfactorily. It is the only really constructive proposition that has been made for raising additional funds for charities.

Hon. A. B. GILLIS: Honourable senators, it seems extraordinary that some honourable members who come from large cities should speak in favour of this legislation. The honourable gentleman who has just taken his seat (Hon. Mr. Rainville) comes from Montreal, the commercial capital and, I suppose, the wealthiest city of the Dominion, and if the Bill were passed and the legislation were adopted by the Province of Quebec, people in various other parts of the country would be helping to support hospitals and charities in that great city. Out in the West we find it hard enough to support our own institutions, let alone contributing to those in larger centres which surely ought to be able to take care of their own hospitals and charities.

I hope this Bill will not pass, and I want to do what I can to prevent it from passing. I suppose it is not necessary for me to reiterate what I have said on other occasions against the principle of the measure. I had hoped that we had heard the last of it when we concluded our consideration of it in the preceding session, but it keeps bobbing up persistently. The sponsor of the present Bill, the honourable gentleman from Vancouver (Hon. Mr. McRae), has elaborated somewhat more than the sponsor of the original Bill (Hon. Mr. Barnard), but he has failed to advance any additional arguments likely to convince anyone that the legislation is desirable.

When I was speaking to him a few days ago he intimated that since last year certain changes had been made which he thought might meet with general approval, but on examination I find that this Bill is practically the same as the one we had before the House on previous occasions. In fact, the honourable gentleman has admitted that there has been no change in principle. The title has been changed, but that is of no consequence. The only alteration of importance has been in section 5. It will be remembered that when the Bill was before the House last year an attempt was made to confine participation in sweepstakes to the particular provinces that might desire to have them operated, and section 5 prohibited the selling of sweepstakes tickets through the mails except for delivery within the province wherein such sweepstakes had been authorized. That section has been eliminated, and the present section 5 provides that:

Notices for the sale of tickets for a sweepstakes . . . may be advertised in newspapers, magazines and periodicals published only in the province within which the sweepstakes is authorized.

So far as I can see, that change is not a good one. For example, suppose the Bill were to pass and the Province of Manitoba auth-

orized sweepstakes. In that province there are two or three large daily newspapers published, and they are read all over Western Canada.

Hon. Mr. McMEANS: All over the world.

Hon. Mr. GILLIS: Not all over the world, but I should say all over Western Canada. Advertisements published in them would be read by people in a number of provinces. A similar situation would prevail in any other province that might authorize sweepstakes. Therefore, in my opinion, section 5 of last year's Bill was better than the present section 5.

Of course, we appreciate the financial difficulties that our hospitals and other charitable institutions are encountering just now. Even under normal conditions it is difficult enough for them to raise the necessary funds. But, fortunately, all these institutions have been able to struggle along; at least, I do not know of any that have been forced to close their doors. When the honourable senator from Victoria (Hon. Mr. Barnard) was introducing his Bill in the session of 1931 he made the following statement, among others:

Conditions to-day, however, are such that it is practically impossible to get any further aid from the municipalities or from the Government.

That was two years ago, yet, thanks principally to generous support by the public, none of the hospitals in British Columbia, I think, have been obliged to close their doors since that time.

We should be fortunate, indeed, if only hospitals and charitable institutions were suffering. The depression that has been in existence for the past three or four years has caused serious trouble to federal, provincial and municipal governments and to industry in general, particularly to agriculture, the basic industry of Canada. In the face of these conditions our people are meeting their difficulties bravely, and in my opinion they would be strongly averse to legislation of this kind, as it would not in any sense relieve the situation.

It is unfortunate that the sponsors of the Bill are forced to take the Irish Free State as their model. I have nothing to say about the people of the Irish Free State, but at the same time I think that the average Britisher to-day does not entirely approve of certain actions of that country. However, that is neither here nor there. But if we want to follow an example, why not take the action of the British Parliament as our guide? In a speech in this House in 1931 the late Right Hon. Senator Sir George E. Foster pointed out to us that a motion was made in the

British House two years ago for leave to introduce a Sweepstakes Bill, and that motion was rejected by a vote of 181 to 58. The right honourable gentleman referred to the great popularity of sports in England, and he thought it very significant that Parliament should refuse to adopt a motion even to give leave to introduce a Sweepstakes Bill.

Outside of the Irish Free State, no part of the Empire has ever considered the adoption of a law of this kind. In December last some 25,000 people of Vancouver voted in favour of sweepstakes, and there was a favourable vote shortly afterwards by the British Columbia Hospital Association, but apart from these two instances no province, city or other municipality, nor even a hospital board, has requested the passing of legislation similar to this. I submit that it would be unwise for us to pass this measure before there is some definite demand for it, not only in British Columbia, but throughout the Dominion.

After all, what particular benefit would accrue to the public from this measure? Probably one man in 10,000 might be fortunate enough to win a prize: this would mean that 9,999 other persons had contributed towards the purchase of it. Two or three days ago a gentleman from the Eastern Townships told me that in one community down there a man had won a sweepstakes prize of \$8,000, and the whole community went simply wild about it. I asked him what in his opinion was the amount contributed by the people of that particular place towards the next drawing for sweepstakes, and he said: "I am safe in saying that for every dollar that man received the community contributed three or four dollars; possibly \$25,000 or more altogether." The scheme is not a profitable one, and in my opinion it will not tend to improve the morality of the country, nor assist our people in any shape or form.

For these reasons I am strongly opposed to the passing of this Bill. I move, seconded by the honourable senator from King's (Hon. Mr. Hughes):

That this Bill be not now read a second time, but that it be read a second time this day six months.

Hon. G. LYNCH-STAUNTON: Honourable senators, when this Bill was before us last session I expressed what I thought were some very cogent reasons why it should pass, but apparently they did not appeal to the majority of honourable members. Too many of us were wandering in dark places and unable to see the light.

Hon. Mr. GILLIS.

I confess that when I heard the heart-rending appeal by the honourable senator from Parkdale (Hon. Mr. Murdock) I feared that my hair might rise like quills upon the fretful porcupine; but on putting my hand up to my head I found that not a hair had moved. The honourable gentleman said that all over America the people are imbued with the vice of gambling, and that up and down the United States and Canada he has seen its dire effects. From this it would appear that it would be just as reasonable for a man to undertake to teach his grandmother the gentle art of extracting the yolk from an egg as to suppose that any legislation we pass here will cause our people to indulge in the gambling habit. I have not heard anyone say that anything we might do would induce people to form the habit of gambling, for everyone who would buy a sweepstakes ticket has the habit already.

Some Hon. SENATORS: No.

Hon. Mr. LYNCH-STAUNTON: Some honourable gentlemen say no. Perhaps they could not be induced to gamble. They are like the late right honourable senator from Ottawa, who made such a wonderful speech two years ago. He knew just as much about gambling and the habits of the people as he did about delirium tremens. If we already indulge that habit, if we do gamble, the props are taken from under the argument that by passing this Bill we are going to introduce a new vice into Canada. I am surprised that an honourable gentleman with imagination should stand up in this House and say that he trusted the Senate of Canada would not disgrace itself beyond redemption—

Hon. Mr. MURDOCK: Hear, hear.

Hon. Mr. LYNCH-STAUNTON: —by doing such a horrible thing as to pass this Bill and so authorize the Attorney-General of British Columbia to permit the charitably minded people of the province to contribute, through a lottery, to the support of a hospital. That is a staggering crime. I appreciate that only the lurid imagination of the honourable senator from Parkdale (Hon. Mr. Murdock) could get a thrill out of opposing such a measure.

Now, honourable senators, let us look into this subject of gambling. I would remind the House that, with the exception of lotteries and of card playing on railway trains, every kind of gambling is encouraged and protected by law. Last session I heard an honourable senator declare that stock speculation was not gambling, but was merely a

commercial avocation. Well, a gentleman who to-day is heard frequently over the radio characterizes those who indulge in stock speculation "Wall Street crap shooters." To encourage this so-called crap shooting on the stock market we have passed mining laws which allow the issue of penny stocks. We have enacted legislation to cover with the protecting cloak of the law the most abominable frauds. There is no fraud these company promoters and stock speculators can devise that is not protected by the laws of this country. We encourage hundreds of thousands of our people to indulge in the most extravagant and vicious form of gambling. The promoters of these gambling transactions, which bring tens of thousands to financial ruin, have been so protected by statute that they have devised the most perfect gambling machine imaginable. Yet the men who justify those laws express histrionic horror when it is proposed to pass a measure to allow people to contribute towards the expenses of a hospital. I regard with the greatest indignation the laws of this country which protect and indeed encourage the vilest forms of gambling. I hear with amazement honourable gentlemen denouncing lotteries when they know that every form of gambling from crap shooting to three-card monte is lawful in Canada. These honourable gentlemen denounce gambling. Well, that old satirist Samuel Butler wrote of certain people that they "Compound for sins they are inclin'd to, by damning those they have no mind to."

As one of our newspapers said yesterday, these anti-lottery laws are a form of national hypocrisy. They give an opportunity to raise a great clamour over nothing, to obscure the issue in a cloud of dust. It is as though with self-righteous air an honourable member should say: "Look upon me! I allow no gambling. I am shocked to think that the people of Canada should be encouraged by this grave and reverend Senate to induce a poor sheep-herder in Wyoming—innocence abroad!—to spend \$2.50 on a lottery ticket. Don't encourage him to do that. Let him waste his money on the race-track, let him wager it on a three-card monte game, or on a cock fight—on anything he likes; let this highly moral member of the community squander his money in a bucket shop, let him waste it anywhere, but for the love of Mike don't let him risk it on a lottery ticket."

In England a Royal Commission, composed of men quite as respectable as any honourable member of this House, has been inquiring into the evils or the benefits of lotteries. Recently I read in the London Observer, a

very respectable newspaper, that this Royal Commission is about to report in favour of lotteries.

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Mr. LYNCH-STANTON: In England, and I think in this country too, public opinion has come around emphatically in favour of these harmless amusements.

Now, I do not think that my honourable friend who grew so eloquent in his denunciation of this Bill would object to a man giving \$2.50 to a hospital. I may lawfully go to that man and ask him to contribute \$2.50; I could shame him into it before his friends. But should I tell him, "If you give me that \$2.50 you will have one chance in 500,000 to get a prize," that is wrong, that is wicked, that is making him a gambler, that is imperilling his eternal salvation. I cannot so regard it. However, to-night I may be overly stupid.

The question, honourable members, is not whether we shall create a gambling spirit among the people of this country. Those who have resisted the temptation all their lives would not be seduced now should this Bill become law. I am quite sure the honourable senator from Toronto would not fall into evil ways—

Hon. Mr. MURDOCK: Parkdale, if you please.

Hon. Mr. LYNCH-STANTON: Parkdale. I am sure he would not fall into evil ways should we legalize lotteries. Having passed by the bucket shop, the race-track, the card game, without turning his head, surely he would be able to resist the lure of a lottery, as would any other of his kind. So by passing this Bill we are merely going to let those vicious people who to-day take a flutter on the stock market, or on the race-track, or at three-card monte, spend their money in another way. I think most honourable senators will agree with me that it is certainly less damnable to put one's \$2.50 on a hospital lottery ticket than on a horse-race. It may be presumed that only those who now indulge in race-track betting will avail themselves of this measure; therefore we are not degrading those persons; we are really lifting them to a somewhat higher plane. I wish honourable senators would think this over very carefully before voting on the Bill, for I know if they vote against it they will do so for appearance sake only.

Hon. Mr. CASGRAIN: The honourable gentleman ought not to impute motives.

Hon. Mr. LYNCH-STANTON: I have such a long tongue that people know I take a chance sometimes, and therefore it is no

use my assuming a virtue that everybody knows I do not practise.

Hon. Mr. FORKE: It may be a matter of repute.

Hon. Mr. LYNCH-STAUNTON: Not at all. I have been thinking a lot about the honourable senator from Brandon (Hon. Mr. Forke).

Hon. Mr. FORKE: Well, well.

Hon. Mr. LYNCH-STAUNTON: I remember when, last session, with flushed face and sparkling eye, he stood up and expatiated on the virtues of the stock market. He told us that one required skill to operate on the stock market; that it was not gambling, for one had to use judgment.

Hon. Mr. FORKE: Oh, no.

Hon. Mr. LYNCH-STAUNTON: He told us that to put up ten per cent on a stock was not gambling.

Hon. Mr. FORKE: No, no; I never said that.

Hon. Mr. LYNCH-STAUNTON: He never said ten per cent? Perhaps he said five per cent.

Hon. Mr. FORKE: I never mentioned any percentage.

Hon. Mr. LYNCH-STAUNTON: At all events, in his view there was nothing immoral in stock gambling.

Hon. Mr. FORKE: No.

Hon. Mr. LYNCH-STAUNTON: I see my honourable friend is now going to the penitent bench. When he gets there, in order to be absolved he should confess, not deny, his past transgressions. I am glad to know that he has seen the error of his ways.

Hon. Mr. FORKE: The honourable member is getting it all his own way because I have not an opportunity to state my views.

Hon. Mr. LYNCH-STAUNTON: Surely he will let me have my way sometimes.

Hon. Mr. CASGRAIN: What about the Wheat Pool?

Hon. Mr. LYNCH-STAUNTON: Well, it has lifted a great weight from my mind to know that I misunderstood the English of the honourable senator from Brandon (Hon. Mr. Forke). I am delighted to know that he agrees with me that stock gambling is a damnable crime and should be suppressed; but I am surprised that when a member of the late Government he did not get the law amended to stop this vicious form of gambling; for of course, as honourable senators know, only a

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Cabinet Minister can put through a law to stop anything in this country. So he missed his chance. Well, I hope he will come all the way now and support this good and virtuous Bill.

Hon. Mr. CASGRAIN: Hear, hear.

Hon. G. H. BARNARD: Honourable senators, I should have preferred to move the adjournment of the debate at this hour of the night.

I desire to thank the honourable gentleman who introduced the Bill (Hon. Mr. McRae) for the very kind manner in which he referred to me in his opening remarks. It had been my intention to introduce it at the opening of the session, but I was aware that a Royal Commission in England was investigating the subject of lotteries, betting and other forms of gambling, and I thought that the report of that Commission would be of assistance to some honourable senators in coming to a conclusion on the merits or demerits of this question. The Commission has not yet made its report. Officials from the Home Office, members of the police force and of religious bodies, and a number of social workers gave evidence. I do not think that any person of unbiased mind, reading the evidence so far as it relates to lotteries, would differ very much from the conclusions to which I have come.

My first conclusion is that public opinion in Great Britain is in favour of sweepstakes to such an extent that the practice of purchasing tickets is widespread throughout Great Britain; so much so that those responsible for the enforcement of the law against lotteries have thrown up their hands in despair.

Secondly, the law is being broken to such an extent that it is being brought into contempt and ridicule; and it is being broken with the connivance, and almost the approval, of the Benches before whom offenders are brought.

To show you how widespread is the practice, I will quote shortly some figures which appear in the evidence of Sir Ernley Blackwell, K.C.B., Legal Assistant to the Under Secretary of State for the Home Office.

I have here the figures of the subscriptions received in Dublin for the five sweeps, previous to the sweep on the 1932 Derby. I will just give the totals: £13,800,000 is the total subscribed in those five sweeps. That includes the sellers' commission. The amount received in Dublin is £11,500,000. The sellers' commission amounts to £2,300,000; that is, £1 in every £6 subscribed stays in the sellers' pockets. If he is dealing in these tickets here he sells the twelve tickets in the book for £6, puts £1 in his pocket and sends £5 to Dublin.

Sir Sydney Skinner: That is 16½ per cent?—Yes. Expenses in addition to sellers' commission amount to £1,041,000. The hospitals have received £2,800,000 and £7,675,000 has been distributed in prizes.

He had previously given particulars of the attempts made by the authorities to prevent the transmission of moneys for these sweepstakes from England to Ireland, and he now states that in spite of all they could do they were only able to stop the transmission of about £100,000.

Now I wish to quote from a memorandum submitted by the Chief Constable of the City of Manchester to the Commission:

Since the Irish Hospitals sweepstakes were instituted 20 persons have been proceeded against for selling tickets for the Irish sweep, and of this number one was fined 10 shillings, nine were fined 5 shillings each, one was fined 4 shillings, seven were fined 1 shilling each, and two were ordered to pay costs.

It will thus be seen that the fines imposed at the Courts were merely nominal, expressing very clearly the view held by the Justices in regard to offences of this character. On several occasions Justices have commented in Court on the ridiculous procedure in bringing such cases before them and have then contented themselves by inflicting the smallest possible fine.

It is well known that the sale of tickets for the Irish sweepstakes has reached enormous proportions, not only amongst that section of the public well able to afford the price charged, but amongst the poor classes—where it is quite common for syndicates to be formed, each person in the group becoming the owner of a share in each ticket purchased by the group.

When Sir Ernley Blackwell was giving his evidence, the Chairman asked him the following question:

What is the romance in the Manchester November Handicap?—There is the sporting interest in racing that makes a tremendous appeal to the people and that, I imagine, is the reason of the popularity of the Dublin sweepstakes.

Chairman: You cannot possibly enforce the law against it because there would be more people to prosecute than there would be to prosecute them.

Would it be fair to say that the present law so far as the suppression of sweepstakes is concerned has almost been reduced to a farce?—Certainly.

Another question by Sir F. S. Jackson:

You have stopped £100,000, but that is all you have been able to do by your efforts to make the law operate?—And prosecute in certain cases. I am bound to say in London our Magistrates have taken a different view from elsewhere, though I do not think they have been severe; but in the country the Benches have treated prosecutions in a very derisory way. Sometimes it has been said from the Bench, "We have all got tickets."

Then again, in the evidence of Mr. Maxwell, Chief Constable of Manchester, I find the following:

I suppose, in the north, as elsewhere, every class of society indulges in the Irish sweepstakes?—Yes, undoubtedly.

I suppose that when all classes of society are going in for the Irish sweepstakes, it is impossible to come down and inflict these heavy penalties in the case of a particular man when he is caught?—That is quite the position. In one Lancashire town a very short time ago, one of these cases was brought before the Courts and the presiding Magistrate said that he personally had several tickets in his pocket at the moment. He was prepared to say that everybody in the Court with perhaps the exception of the Clerk to the Court would also have tickets.

Why he picked on the Clerk of the Court as the one innocent man in the room, history does not relate.

Hon. Mr. CASGRAIN: He did not have the price.

Hon. Mr. BARNARD: Now, just one reference to Scotland. I am sorry my friend from Saskatchewan (Hon. Mr. Gillis) is not here, because, knowing his nationality, I am sure he would appreciate what I am going to read. This is an extract from a statement submitted by the National Scottish League against Betting and Gambling:

The fippant manner in which certain magistrates have administered the law when dealing with cases of violation of the Lotteries Acts, has been nothing less than scandalous.

In April of this year, we reported to the Secretary of State for Scotland the case of a Bailie in Aberdeen, who when dealing with a man who had infringed the Lotteries Acts, said: Personally he had taken the risk himself of buying coupons in the street, and if a policeman saw him, he might land himself in the same position.

There is one more statement by this League that I think honourable members of this House, and members of the House of Commons, will take to heart:

It is not surprising that the Lotteries Acts are regarded with contempt when it is possible to read in the press that "sweepstake tickets are all but openly on sale in the House of Parliament. . . ." When members in the House of Parliament treat as an excellent joke the calling to the attention of the Speaker of a fellow-Member filling up counterfoils of sweepstake tickets, it cannot be expected that the public will treat with respect laws which are publicly made the subject of ridicule by their legislators.

Here is the crux of the whole matter. Again let me quote from Sir Ernley Blackwell, in answer to a question put by the Chairman:

Small penalties are imposed?—Small penalties are imposed. No penalty at all is imposed in many cases, and, of course, there is a great reluctance on the part of the police to take any steps at all.

The feeling is in everybody's mind that everybody is in it?—The real mischief, for I think I am right in describing it as a mischief, is

that the law should be brought into contempt and ridicule; and that people should be openly breaking the law with the connivance, and almost the approval, of the Benches before whom they are brought.

It is very bad indeed?—I think it is a terrible evil. It means either that the law is a bad one and ought to be repealed or at any rate altered, or that some measures should be taken to remedy the present state of affairs.

I think I have read enough to show the House the state of affairs and of public opinion in Great Britain in regard to this matter. I do not profess to speak for the other provinces of Canada, but I am absolutely convinced that so far as my own province is concerned the great majority of the people see no harm in buying a ticket in a lottery or a sweepstake; and all the laws in the world will never make them see that it is morally wrong to do so. Therefore they will continue to do it, despite the law, and that, I say, is a highly undesirable state of affairs. I do not think that public opinion throughout the rest of Canada differs from that very much, and I do not think I am in the least overstating the fact when I say that a very large sum of money indeed goes out of the Dominion that might very well be retained here and put to our own uses.

The next conclusion I came to in reading that evidence was that there was very little specific evidence of any great evil result either to the individuals indulging or to their families. There are statements made by virtually all the religious bodies, on moral grounds, generally condemning the practice and alleging that great harm is done; but few particular instances, if any, are given except in one or two isolated cases. On the other hand, there are very definitely expressed opinions by some of the higher authorities, and by social workers, that no harm is done.

I am not going to quote in respect to that at any great length, but I will give one or two citations just to verify what I say. Again in the memorandum prepared by the Chief Constable of the City of Manchester it is stated, in paragraph 9, as a considered opinion:

Large scale or "commercial" sweepstakes operated on the systems at present in vogue do not, speaking generally, have any apparent demoralizing effect on those persons participating, nor have I myself, from my own experience, come in contact with any case where persons, who have indulged in this form of gambling, neglected their ordinary occupations, duties, families or social life generally.

Then I find at question 646:

Do you think that this form of lottery does much harm?—Personally I have never seen any evil results at all from it.

You mean it is merely a way in which certain people spend their money, perhaps foolishly,

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but it does not end in any great public evil like the destitution of families or leading people into crime?—No, I do not think so.

The evidence of Lieutenant-Colonel Brook, Chief Constable of the West Riding of Yorkshire, is as follows:

Do you think the Irish Sweep, or anything of that size, does any real harm? Is it only people having flutters, or are they begging themselves by going in for it? I have heard it suggested outside this room that in other countries, and I have heard it suggested of Ireland, people will starve themselves and their families in order to accumulate enough money to get as many tickets as they can in one of these big sweepstakes. Have you any experience of that sort?—Yes, I have had experience of isolated instances of that. In every form of amusement or interest there are some excesses. During the last sweepstake, with which I have had to deal, there were participants from poor-houses, from poverty-stricken people hundreds of miles away, who wrote pathetic letters afterwards saying that they had been saving up sixpence a week in order to have their ten shillings in these sweepstakes, and no doubt to these people the loss is a serious matter. But I think those cases are isolated.

One more quotation, from the evidence of Mr. Sidney Burgess, Court Missionary and Probation Officer at Highgate Police Court. He said:

What is the meaning of the last sentence: "Very rarely do we hear of a man in difficulties in consequence of 'making a book'?"—In the whole of my experience I only remember one case before the Court where a man's home was on the verge of being broken up in consequence of his neglecting to maintain his wife, and the difficulties were through making a book.

Sir F. S. Jackson: The inference is that there is fraternity between bookmakers; they do not let people get down?—Yes.

Chairman: You draw a distinction between the better and the layer, so as to show that the layers make money?—Yes, that is so.

As far as you know, lotteries have not resulted in this sort of harm?—Cases have not come to our notice.

The point I make from that is that while the religious bodies are, as a matter of principle, opposed to gambling, their opposition is to any form of gambling. They do not endeavour, so far as I can see from reading this evidence, to show any specific cases where this particular form of what they call gambling has done any harm to any individual or any family; and, as I say, there is direct evidence of opinion quite to the contrary, held by people who are well qualified to judge.

One of the arguments against the Bill is that to sell sweepstake tickets is inherently wrong; that is to say, that it is a moral wrong. But, as was said by Rev. F. E. Watson, one of the witnesses before the Royal Commission in England, the man in the street would no

more take his ethics from a committee who tell him that it is morally wrong to commit a certain act, than a member of such a committee would take his ethics from the man in the street. In my opinion it will never be possible to convince the majority of the people in this or any other Anglo-Saxon country that there is anything morally wrong in the purchase of a sweepstake ticket; and for that reason, if for no other, I say that there should be a change in the law.

The second argument is that this legislation would dry up the springs of charity. Well, I do not think there is very much in that contention. That argument was advanced before the Royal Commission in England. If my understanding is correct, the hospitals in that country are maintained by charitable donations, and professional men give their services free of charge to indigent patients. Now, under our system—I speak of my own province only—charitable donations are made towards capital expenditures, and the cost of actual maintenance is defrayed by revenue from three sources: the Provincial Government grant, the municipal grant, and receipts from paying patients. The amount contributed towards actual maintenance is very small, in comparison with the total maintenance costs, though it is true that ladies' guilds and similar societies do raise some money for this purpose. And even if the hospitals were maintained at the highest possible peak of efficiency, there need be no fear on the part of my honourable friend from Parkdale (Hon. Mr. Murdock) or anyone else of lack of opportunities to contribute to other charitable institutions.

The hour is late and I am trying to make my remarks as brief as possible. It appears to me that there would be the following advantages from passing this legislation: First, by legalizing a practice which has grown up in defiance of the existing law, a practice in which the great majority of the public, including the best and most responsible of our people, see no moral wrong, the Bill would eliminate the great evil of a general disregard of that law. Second, it would result in obtaining funds for deserving institutions that are sorely in need of money, and a large part of the funds would come from people who otherwise would never contribute to these objects. Third, it would take a heavy financial burden from provincial and municipal governments, whose taxpayers are already groaning under the present load.

I believe these advantages far outweigh any harm that can be done by the passing of the Bill, and for that reason I shall vote for

the second reading and against the amendment.

Hon. Mr. HUGHES: Honourable members, the hour is late and I beg to move that the debate be adjourned.

Hon. Mr. SHARPE: No, no. Carry on.

Hon. Mr. HUGHES: It is a very small House.

Hon. Mr. SHARPE: No; it is a good House.

Hon. Mr. HUGHES: A number of honourable members who probably did not think the debate would close this evening are absent, and they may want to vote.

The motion of Hon. Mr. Hughes was negatived.

The amendment of Hon. Mr. Gillis was negatived on the following division:

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The Hon. the SPEAKER: The question, honourable members, is on the main motion.

Hon. Mr. CASGRAIN: The same vote.

Hon. Mr. HUGHES: Honourable senators,—

Hon. Mr. CASGRAIN: The honourable gentleman cannot speak now.

Right Hon. Mr. GRAHAM: Certainly he can. Any honourable member can speak to the main motion now.

Hon. Mr. HUGHES: This is a very small House, several honourable members having left under the impression that there would not be a vote to-night. The Bill is an important one, and I think every honourable member should have an opportunity of expressing his opinion and recording his vote. Therefore I move again that the debate be adjourned.

Some Hon. SENATORS: Lost.

Right Hon. Mr. MEIGHEN: Honourable senators, I think I owe it to the House to express, before the vote is taken, my view, not so much on the main motion as on the motion to adjourn the debate. I do not think that the Senate is so busy that we ought to try to rush a vote to-night. We have not a mass of business on the Order Paper for to-morrow, yet it seems to me that it is essential we should meet to-morrow. I have no very strong views, one way or the other, as to the measure before the House, but I do think that on account of the importance of that measure we owe it to honourable members who had no very good reason to expect a vote to-night that they should be given an opportunity to express their views and to vote. I hope that the motion to adjourn the debate will be carried.

The motion was agreed to, and the debate was adjourned.

PRIVATE BILL

SECOND READING

Hon. G. V. WHITE moved the second reading of Bill 23, an Act respecting The Saint Nicholas Mutual Benefit Association, and to change its name to "Ukrainian Mutual Benefit Association of Saint Nicholas of Canada."

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

REFERRED TO COMMITTEE

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

Right Hon. Mr. MEIGHEN: To-morrow.

Hon. Mr. DANDURAND: I draw attention to the fact that after second reading of a Private Bill the next step is a motion to refer it to a standing committee. If it is put down for third reading we pass it by general consent.

On motion of Right Hon. Mr. Meighen, the Bill was referred to the Standing Committee on Miscellaneous Private Bills.

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

Right Hon. Mr. GRAHAM.

THE SENATE

Tuesday, March 14, 1933.

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

Prayers and routine proceedings.

FEDERAL ELECTION COSTS

INQUIRY AND DISCUSSION

The Senate resumed from yesterday the debate on the question proposed by Hon. Mr. Foster:

To call the attention of the Senate to the abnormal cost, both to candidates and the country, of federal elections, and inquire if the leader of the Government would consider the question of the appointment of a select committee of this House to consider and report upon such action as would materially reduce the cost thereof.

Hon. RAOUL DANDURAND: Honourable senators, I understand that my honourable friend from Westmorland (Hon. Mr. Black) moved the adjournment of the debate merely to give an opportunity to any honourable members who might desire to express their views on this question. I had notified my honourable friend who introduced the inquiry (Hon. Mr. Foster) that I wished to voice some views which I hold on the subject of federal election costs, but I must confess that in doing so I forgot, and not until yesterday did I remember, that I had stated those views last session. However, when I spoke on this matter a year ago honourable members of this House and of another place were concentrating their thoughts upon another subject, and I think that very little attention was paid to my remarks. At any rate, I saw very little reference to them in the press.

I desire to repeat as briefly as possible what I said last year. But first may I say that in my opinion the suggestions of the honourable gentleman from Saint John (Hon. Mr. Foster) are excellent, and should be kept in mind by members of the present Government if any attempt is made to deal with this important subject, and should be incorporated in any Bill that may be drafted to improve the present election laws.

All parliaments in democratic countries have at various times grappled with the problem of how best to conduct elections, and the general aim has been to reduce their cost. A solution has been sought in limiting the amounts that might legally be spent by candidates and in requiring that publicity in some form or other should be given to campaign subscriptions. But I believe the

cure of the evil is not to be found in either of those directions. So long as the present financial requirements exist, the money will have to be found somewhere. It seems to me there ought to be a reduction in the amount of money needed for election purposes, and I do not know of a much better plan for reducing the costs than compulsory voting.

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Mr. DANDURAND: In the days of absolute monarchy, as I stated last session, it was the privilege of the king to choose his ministers, and if he failed to do so and allowed state affairs to drift, his reign soon came to an end. To-day, under our parliamentary institutions, the people have the right, which they may exercise every four years or so, to elect their Government. I believe it is not only their privilege, but also their duty, and therefore I would suggest that voting should be made compulsory. The adoption of compulsory voting would eliminate a large proportion of the expenditure which an election entails to-day.

In my opinion the recommendation of the honourable senator from Saint John (Hon. Mr. Foster) that federal elections should be held on a legal holiday is well worth considering. He has suggested that Sunday be chosen for this purpose. I am not averse to the suggestion. Indeed I think in many countries in Europe that day is selected for the holding of elections. The impression may go abroad that the noise and excitement incident to an election would be unseemly on a Sunday, but I think compulsory voting would do away with most of the noise and clamour of bringing electors to the poll, for they would simply come of their own volition. I think also that the holding of our federal elections on a Sunday would impress on the electors that it was a day consecrated to God and to their country.

But it seems to me that, most important of all, compulsory voting would bring about a substantial reduction of election costs and so avoid the necessity of collecting funds from party devotees or from persons having an axe to grind. My experience of conducting elections has been mostly in the city of Montreal, and there the cost of preparing the voters' lists has mounted so high as to have become almost intolerable to candidates. I think the State should assume the responsibility of preparing these voters' lists. For this purpose I would suggest that in large towns and cities permanent returning officers should be appointed to keep the lists up to date. This machinery would perhaps be somewhat costly, but I feel that the State should furnish the machinery for the registration of voters. I cannot express an opinion as to the necessity of appointing permanent returning officers for the rural ridings. No doubt honourable

gentlemen, especially those in the other Chamber, would give us the benefit of their views on this point. But I hold the profound conviction that in towns and cities of from 50,000 to 100,000 population the registration of voters after the writs are issued constitutes a veritable scandal. The race is on, the candidates are chosen, and naturally they try to arrange the lists in such a way as to favour their respective parties. In large cities such as Montreal and Toronto I think it is imperative, if we are to have a clean election, based on fair lists, that these lists should be prepared, and from day to day kept in order, by permanent returning officers, who would be in constant touch with the electorate.

These permanent returning officers should select the polling booths and immediately after nomination day notify the electors where they are to vote. The reception of the notification card would as well, of course, remove any doubt in the elector's mind as to whether he was on the voters' lists. The municipality of Montreal has adopted such a system. At the last election, although there were from 180,000 to 200,000 electors, every elector was notified in due time where he was to vote.

With compulsory voting, permanent lists and notification to the electors by the returning officers, the only expense to be incurred by the candidate would be for publicity, which should not be a very heavy item to-day, since most of the electors could be reached by radio broadcasts. By these means we should purify the campaign atmosphere and free Parliament from the domination of big interests, thus permitting freer scope for the exercise of democratic power.

I made these suggestions last session, and I think they are worth considering, for the cost of conducting elections has become altogether too burdensome. In Montreal no candidate can expect to conduct his election campaign without expending at least \$25,000. Some years ago a successful candidate in one of the city's electoral divisions, in a sworn statement, placed his campaign expenses at \$47,000. His vanquished opponent had to admit that he had spent as much. If under such conditions it is necessary that money should be contributed, we cannot expect to stop the gathering of money to meet that need. I think the only way to cure the evil—I am speaking only of the large towns and cities—is to reduce the need which has existed in the past by having the State assume a share of the expense of registering electors and notifying them where to vote; and in this way the attention of electors would be directed to the duty they owe to the country.

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

CHARITY SWEEPSTAKES BILL

SECOND READING

The Senate resumed from yesterday the debate on the motion of Hon. Mr. McRae for the second reading of Bill I, an Act with respect to Charity Sweepstakes.

Hon. J. J. HUGHES: Honourable members, a Bill similar to the one now before this House was rejected by the Senate last year and the year before. The members who spoke and voted against the previous Bills did so for social and moral reasons, and I feel sure, judging by the comments of the press, that public opinion approved of their action at that time.

The promoter of this Bill says that public opinion in British Columbia, for material reasons, has changed during the past year, and is now favourable to the proposed legislation. If this be true, it is very regrettable. He also said he believed that public opinion in the other provinces had changed. I do not share in that belief. I have no doubt in my own mind that the present troubles of the world are largely due to the adoption by many persons of the principles underlying this Bill. The putting aside of the homely virtues of thrift and industry, and the adoption of schemes to "get rich quick," to get something for nothing, to exploit the weaknesses of the multitude and take advantage of the weaker brethren for monetary gain, have been the besetting vices of this century and the last. We are told by the promoter and the supporters of the Bill that these vices will be practised by Canadians anyhow, and that, therefore, we should provide facilities to enable them to indulge in a large way, without inconvenience. I should not like to mention the name of the real author of such reasoning.

This particular line of argument was advanced by the honourable senator from de Lanaudière (Hon. Mr. Casgrain) and the honourable senator from Hamilton (Hon. Mr. Lynch-Staunton). They declared that we had numerous laws on the Statute Book to enable the gambling fraternity to ply their trade; that we were a race and a nation of gamblers, and that, therefore, the lid should be taken off and every restraint against the evil of gambling removed. And yet these two honourable gentlemen are honest, intelligent, upright men, and one of them is a jurist of repute.

Hon. Mr. PARENT: That just proves what intelligence can produce.

Hon. Mr. DANDURAND.

Hon. Mr. HUGHES: My honourable friend says that is proof of what intelligence can produce. For myself, I cannot follow their line of reasoning. Needless to say, I was shocked to hear such statements. Do these men not see that if such a principle were correct it would justify the commission of every crime in the calendar? Surely the honourable gentlemen have made some mistake in advancing arguments of that kind before this House.

I cannot help thinking that if the promoters of this proposed legislation had read and digested the scorching and searing arraignment of such practices pronounced by the President of the United States on the day he entered upon his official duties, this Bill would never have seen the light of day. Allow me to quote his remarks:

The money changers have fled from their high seats in the temple of our civilization. We may now restore that temple to the ancient truths.

The measure of the restoration lies in the extent to which we apply social values more noble than mere monetary profit.

Practices of the unscrupulous money changers stand indicted in the court of public opinion, rejected by the hearts and minds of men.

We see by the daily press that the Senate of the United States is almost unanimously behind the President in his efforts to eradicate and destroy these gigantic evils. Yet this is the time chosen to ask the Senate of Canada to legalize and promote similar evils here. It is certainly hard to account for the things that sometimes happen.

We are told that this legislation would do a great deal of good; that large sums would be given to charitable objects; and the Bill itself enumerates a long list of regulations that would be adopted to ensure the strictest honesty in the carrying out of the details. And we, who know that the whole scheme is founded upon dishonesty, are expected to take this kind of thing seriously. We are told upon the very highest authority that when Satan has a particularly vicious job to do he transforms himself into an angel of light, and that he is far more dangerous in that disguise than when clothed in his ordinary habiliments. For my own part, I should have much less objection to the Bill if it were presented to us in all its naked deformity, stripped of all its trappings of pseudo-charity.

It is argued by the honourable senator from Vancouver (Hon. Mr. McRae) that the legislation known as prohibition produced far more and greater evils in the United States than it cured; that, in fact, it intensified the very evil it was designed to cure, and has broken

down wherever tried; and that, therefore, we should legalize and promote gambling. Surely this deduction cannot properly be drawn. Such reasoning is an attempt to compare two things that are not comparable. While drunkenness is a widespread social and moral evil, and total abstinence, if undertaken voluntarily, a most heroic virtue, this virtue can never be enforced by law; and it is immoral to try to enforce it by law, because the use of alcoholic beverages in moderation is neither sinful nor improper. Our Lord Himself not only partook of wine in moderation, but provided it for others, and in consequence was called a wine bibber and a glutton by certain people in His day. But even those people never called Him a gambler. The prohibitionists made the mistake of trying to add another commandment to the ten, and of course they failed. But surely it is the negation of reason to say that because prohibition failed, and was bound to fail, we should promote gambling. I cannot find a single argument worthy of the name in favour of this Bill, except the very specious one that a part of the ill-gotten gains would be given to hospitals and other worthy objects. Surely the Senate of Canada will never make merchandise of its moral principles. Every proper human law is founded upon, and must be in conformity with, the divine law, and every member of this honourable House should be able to see that there is a vast difference between prohibiting a thing that is not contrary to divine law, and legalizing a thing that is, to say the least, morally doubtful.

If we refrain from passing this Bill, we shall be on safe ground; if we pass it, we shall, as I see it, be taking a momentous and dangerous step—one that we may regret, but cannot retrace. I hope the Senate will not pass the Bill.

Hon. L. McMEANS: Honourable members, I think I owe it to this House to give my reason for supporting this Bill. During my early experience in political matters the doctrine of provincial rights was pretty well beaten into me. We know that in the old days that doctrine was a very burning question in the Province of Manitoba, and in some of the other Western Provinces, and as a provincial representative I feel that a province should be accorded any right that belongs to it. I think it is part of the duty of every senator who enters this House to look after and protect the interests of the province which he represents.

The Bill, as I have it here, merely throws upon each province the responsibility of saying whether or not it wishes to authorize

lotteries or sweepstakes for the benefit of the hospitals in that province. The responsibility rests not upon this House, but upon the provincial legislatures and upon the people of the various provinces.

Hon. Mr. GILLIS: They cannot act without this legislation being passed.

Hon. Mr. McMEANS: Why not?

Hon. Mr. GILLIS: That is what the legislation is for.

Hon. Mr. McMEANS: I know that is what the legislation is for, but the responsibility is theirs.

I should have thought the proper place for the honourable member for Parkdale (Hon. Mr. Murdock) to deliver his fervid speech would be before the people of Ontario rather than in this House. If you look over the situation in the Dominion at large you will find that the principle I have enunciated applies generally. Take the Sunday observance law for instance: while it specifies many offences and fixes very severe penalties, it winds up by saying that no prosecution shall take place under that law unless the Attorney-General of the province assents thereto. That is an acknowledgment of the rights of the provinces.

What has happened with regard to prohibition? There was a great agitation for Dominion-wide prohibition. The people of Quebec did not like it, however, and said: "No, you must not interfere with our province." Then the right was given to each of the provinces to do as they pleased in that matter, and nearly all of them passed prohibition legislation. Then, again, the provinces said: "We are restricted by the Dominion law in stopping the import of liquor into the provinces. We want the right to stop the import of liquor." What happened? The Dominion Parliament gave them that right.

What is the purpose of this Bill? It is simply to give to the provinces the right, which they should have, to attend to an affair of their own. This is a question for them to decide, and I for one see no reason why they should not be permitted to decide it. I do not know why there should be so much agitation about this proposal. So far as I can see, the action of the honourable gentleman from Vancouver (Hon. Mr. McRae) springs from a laudable desire to assist charitable institutions. However, I am going to vote for the Bill on the ground of provincial rights.

In view of the objections raised by the honourable members from Parkdale (Hon. Mr. Murdock) and Saskatchewan (Hon. Mr. Gillis), I am going to appeal to the promoter of the Bill to amend it. I think the innocent cowboy in Wyoming and the farmer

in Saskatchewan should be protected; so I am going to ask the honourable gentleman from Vancouver to insert in the Bill a clause stating that the cowboys of Wyoming and the farmers of Saskatchewan shall not be allowed to purchase sweepstake tickets. I should not like to see the missionary efforts of my friends interfered with, and I think perhaps such an amendment would remove the ground of their objections.

Hon. C. P. BEAUBIEN: Honourable members, if a plea can be made in favour of this Bill on the ground of provincial autonomy, I think a better plea could be made against it on the ground of provincial liberty. I am not going to dwell on the moral aspect of this question, though everybody will admit that no man in this House stood up and spoke in justification of the Bill. Some honourable gentlemen pleaded extenuating circumstances, and one even went the length of saying that the spirit of speculation had so permeated the population of this country that the flinging wide open of the doors of speculation by the means suggested would make absolutely no difference. It is true that speculation has been abused in the past. But was there ever a better time than the present for checking speculation and teaching people that there cannot be a return to prosperity on a firm basis except through honest labour and persistent industry?

But I will leave aside its moral deficiency and come to the practical side of this Bill. If the measure passes, what will be the consequence? The answer to this question seems to me very clear, namely, that all our provinces will sooner or later organize sweepstakes. I differ with my honourable friend from Winnipeg (Hon. Mr. McMeans) when he says that any province could organize sweepstakes, or refrain from doing so, as it desired. It seems to me that a good analogy is to be found in the experience of owners of oil lands. In every lease of oil properties there is a provision that if a well is sunk on a neighbouring property the lessee must sink one on the property he is taking over. The reason is that each owner must protect himself against the possibility of all the oil in that vicinity being pumped out of the ground by his neighbour. Now, no one could criticize the objects for which it is desired to raise money by sweepstakes, for no finer and more commendable work can be conceived than that of assisting hospitals and other charitable institutions. But I say that if British Columbia organizes a sweepstake it will pump money out of every province that fails to take

Hon. Mr. McMEANS.

advantage of this legislation. Then these other provinces will have to protect themselves, and they could only do so by operating sweepstakes on their own behalf. Some provinces may think that the experience of other countries has demonstrated sweepstakes to be an immoral and most unsatisfactory method of raising funds, yet these provinces will be forced to resort to this undesirable practice, on the ground of financial protection. A province that refuses to take this step will suffer from a tremendous drain of money, and I doubt that it could afford to maintain its commendable stand very long.

And what will happen if sweepstakes flourish throughout our land, from the Atlantic to the Pacific? There will be very keen competition among the operators of the various sweepstakes for the sale of their tickets, and purchasers will be baited with bigger and bigger prizes. We shall have at least one real race—among the sweepstakes themselves, to see which can take in the most money.

There is another difficulty. Suppose the Attorney-General of a province authorizes a sweepstake for any highly commendable cause, such as an institution for the care of the blind. How will he be able to refuse to authorize sweepstakes for any equally meritorious institution? It seems to me that every charitable organization in the country will sooner or later become a petitioner for funds to be raised through the sale of sweepstake tickets. And what will be accomplished in the long run? So many tickets will be printed and offered for sale that they will lose their value. And, worse than that, our people will have learned to depend more and more on speculation instead of their own efforts.

If my honourable friend from Winnipeg has a bit of leisure, I would advise him to take a trip to South America and visit some of the cities of the Latin republics. In Buenos Aires and other cities he will find that on the best retail business streets, where rentals are the highest and where only remunerative business can be engaged in, there is in every block a large store given over to the display of advertisements of lotteries. My honourable friend could not drive through one of those streets without having two or three men jumping on the running-board of his car and forcing a handful of lottery tickets before his eyes. Everybody buys tickets there. From their youth up, the people have been taught to depend on speculation. When he realizes what has resulted from this wholesale indulgence in lotteries in those countries, some of which are richer in natural resources than our own, perhaps he will think that after all it is better for us to follow the example of Europe.

Civilization in Europe is older than in America. In Europe, except in Ireland, it has been found that it is dangerous and undesirable for the State to encourage the speculative urge; that nothing is of more value to a country than the industry and courage of its citizens. In some parts of Europe there are so-called lotteries, but there is no comparison between them and sweepstakes as proposed under this Bill. For instance, the city of Paris did operate a lottery, but every person who bought a ticket had the absolute assurance that all the money paid out by him for that ticket would be refunded some day, with at least three per cent interest. The gambling in those lotteries was limited to that portion of the interest which exceeded three per cent. Therefore the purchase of a ticket in that kind of lottery carries with it an investment. But the purchaser of a sweepstakes ticket makes a real gamble, for he will either lose everything that he puts up, or win more, perhaps considerably more.

It has been said that there is a degree of chance in everything. That is true. Life itself is sometimes a great venture, and the element of chance enters into the most ordinary transactions. When a man buys a property he does not know whether the value of it will go up or down. But how can there be found in these well-known facts any argument to support sweepstakes?

In conclusion, honourable members, may I make a suggestion? If this Bill goes to a committee, would it not be possible to provide against the operation of numerous sweepstakes throughout the provinces and to authorize only one lottery, that to be carried on under federal control? If we must have sweepstakes, let us keep the number down to a minimum.

Some Hon. SENATORS: Question.

The motion for the second reading of the Bill was agreed to on the following division:

CONTENTS

Honourable Senators

Aylesworth (Sir Allen)	McLennan
Barnard	McMeans
Béique	McRae
Béland	Murphy,
Bénard	Parent
Black	Planta
Blondin (Speaker)	Poirier
Bourque	Pope
Brown	Prevost
Burns	Rainville
Calder	Riley
Casgrain	Robinson
Green	Stanfield
Harmer	Tanner
Lewis	Taylor
Lynch-Staunton	Turgeon
Macdonell	White (Inkerman)
Marcotte	White (Pembroke)—37.
McDonald	

NON-CONTENTS

Honourable Senators

Beaubien	McCormick
Buchanan	McGuire
Copp	McLean
Dandurand	Meighen
Fisher	Michener
Forke	Murdock
Gillis	Rankin
Horsey	Spence
Hughes	Wilson (Rockcliffe)—19
MacArthur	

The Bill was read the second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. McRae, the Bill was referred to the Standing Committee on Miscellaneous Private Bills.

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

THE SENATE

Wednesday, March 15, 1933.

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

Prayers and routine proceedings.

ADJOURNMENT OF THE SENATE

Right Hon. Mr. MEIGHEN: Honourable members, I beg to move, with the consent of the House, that when the House adjourns to-day it stand adjourned until Tuesday, March 28, at 3 o'clock in the afternoon.

The motion was agreed to.

BANKING AND COMMERCE COMMITTEE

POWER TO SIT DURING ADJOURNMENTS

Right Hon. Mr. MEIGHEN: Honourable senators, for the information of members of the Banking and Commerce Committee who were not present at the meeting this morning, I wish to say that the committee decided to meet again on the morning of the day that the Senate reassembles. That will be Tuesday, March 28, and the committee meeting will begin at 11 o'clock in the morning. I am not quite certain whether this committee, which has the important Shipping Bill before it, has power to meet during adjournments, but in the event that the Clerk finds that it has not, I wish to move:

That the Standing Committee on Banking and Commerce have leave to sit during any adjournment of the House this session.

The motion was agreed to.

PRIVATE BILL

FIRST READING

Bill 29, an Act to amend and consolidate the several Acts relating to the Board of Trade of the City of Toronto.—Hon. Mr. Macdonell.

FEDERAL ELECTION COSTS

INQUIRY AND DISCUSSION

The Senate resumed from yesterday the debate on the question proposed by Hon. Mr. Foster:

To call the attention of the Senate to the abnormal cost, both to candidates and the country, of federal elections, and inquire if the leader of the Government would consider the question of the appointment of a select committee of this House to consider and report upon such action as would materially reduce the cost thereof.

Hon. A. D. McRAE: Honourable senators, first I wish to congratulate the honourable senator from Saint John (Hon. Mr. Foster) on the splendid address he made in connection with this very important matter. Since I agree generally with his observations, as well as with those made yesterday by the honourable senator from De Lorimier (Hon. Mr. Dandurand), I shall endeavour as far as possible to avoid covering the same ground.

As I am one of the recent arrivals in this honourable House, almost direct from the battlefield of the last election, my observations on election reform may be of particular interest to honourable senators, and I appreciate that this circumstance calls for careful speaking on my part. Being no longer responsible for party organization, and having no desire or intention of assuming that responsibility again, and being now a member of this honourable House, where party lines are not adhered to, I feel at liberty to offer such observations on election reform as my short experience in party management leads me to believe may make for the political welfare of the nation. I can assure honourable senators who, like myself, were formerly associated with party activities, and who were appointed to this Chamber perhaps years ago, that since they left the political arena the election situation has not improved. Election expenses have continued to grow until to-day the financial burden of an election prevents many patriotic citizens, especially well qualified for public service, from attempting to enter parliamentary life.

I sometimes wonder if what we might call our political morality is improving. Years ago, when open voting prevailed, it was customary, I am told, to buy votes, very

Right Hon. Mr. MEIGHEN.

cheaply of course, with cash. Yet at that time the electors generally worked and fought for their party without any idea of pay, without even the promise of a job. To-day, with the secret ballot, few votes, if any, are purchased by actual payment of money, but the rank and file of both parties demand pay, and good pay, too, before turning over a hand for the party whose principles they espouse. The voluntary and more prominent workers perhaps work in hope of a reward. But the promise of jobs and favours is not a conventional offence; it is no violation of the Ten Commandments.

It is said that President Andrew Jackson and his so-called "Kitchen" Cabinet originated the modern practice of giving jobs as rewards for party services. To-day our Civil Service Act seriously interferes with the practice in this country. The incentive for party work is thereby largely removed, and as a rule you must pay your party workers as you go. The expenditure in this connection forms a large part of election expenses.

It is surprising how many of our citizens feel that in voting for a candidate they are doing him a great favour. During the short time that I was a member of the other House I was approached for contributions by many of my electors, even by the Cloth, on the ground that they had supported me in the election. As indicative of the public attitude in this regard, I recall that in my constituency, as the non-resident Member, I contributed to no less than seventeen churches and similar organizations, but when I became the defeated candidate not one of those organizations asked me for a renewal of my subscription. And we should not forget the innumerable sporting and other organizations which invariably elect their Member of Parliament as their honorary president, later calling on him for financial assistance. In short, his constituents regard the purse of their Member as legitimate plunder. In this respect I do not believe we are improving.

It has been said that only two classes of our citizens should be in politics—the man who has so much money that he does not need any more, and the man who has nothing. My answer is, if they stay in politics long enough both will be in the same condition of impoverishment. Our political highway is strewn with the financial wrecks of men who have given the best years of their life to public service. Few of them have received the only reward worth while—the gratitude and appreciation of the Canadian people.

It would seem that to-day the majority of the public business organizations, the Press, yes, even the Church, join in the popular pastime of flaying the politician, forgetting

that in so doing they are depreciating Canadian citizenship itself. Who are the so-called "politicians" but the chosen representatives of the people? Invariably the politician is one of the best men in the constituency, far above the average citizen. Indeed, it is my humble opinion that the honourable members of this House, with their long years in public service and in business, with that understanding of public psychology gained only through political experience, are better qualified to deal with the issues of the day than any body of business men that can be assembled in this country.

The demand to-day would appear to be for statesmen. It has been said that statesmen are born, not made. I do not hold that view. Confronted by the many instances where successful business men have made a short and unsuccessful stay in parliamentary life, I claim that a statesman is a successful politician, one who has taken a postgraduate course.

I have the highest regard for the honesty and sincerity of the members of both Houses of Parliament. I know some of their difficulties in carrying on their public duties in these trying times. They do not need criticism; they do need support. May I appeal to those of our countrymen who are criticizing our public men to remember that it takes all classes to make a nation, and that representative government, embodying this principle, cannot be expected to please us all in every particular?

The honourable senator from Saint John (Hon. Mr. Foster) estimated the cost of a general election at one million dollars. This estimate doubtless referred to the cost to one party only. There are 245 constituencies in Canada. An expenditure by each party averaging \$4,000 a constituency is, I believe, the minimum. This would mean a cost of \$2,000,000 for both parties. We have been hearing of city seats that cost a very large amount of money. I confess it cost me several times \$4,000 to be the defeated candidate in the last election, and it cost my opponent, so the report goes, very considerably more to win. Honourable senators who are curious as to just how the expenditure was made up, may, so far as I am concerned, see it on record with the judge in my constituency who approved it.

It is difficult to estimate at all accurately what an election costs. Election moneys come from so many sources that it is well-nigh impossible to keep track of them. First, there is the money the candidate furnishes himself. Then there is the money he gets from friends inside and friends outside the riding, who contribute directly and indirectly. Certain moneys for expenses come

through provincial or general funds. Traveling expenses of speakers are usually paid from funds outside of the riding. Advertising, radio and general propaganda expenses are not allocated to any constituency. There is, therefore, no way of accurately estimating the total amount of money spent by any party in an election. However, for the purpose of this discussion, the \$2,000,000 estimated as the expenditure by all parties in the last election may be taken as the minimum.

It will surprise honourable gentlemen to know just how much was expended by the Federal Government in connection with the election of 1930. I find that the cost to the country of that election was \$2,127,893.60. It is interesting to note how that expenditure was made up. The figures are as follows:

Preparing voters' lists.. . . .	\$1,113,250 41
Overhead: returning officers, etc..	912,139 83
Preparation in advance for election	102,503 00

It is interesting also to observe that in the last election 5,153,971 voters were registered. Of this number, as stated by the honourable senator from Saint John (Hon. Mr. Foster), 3,922,481, or 76 per cent, voted. From these figures it will be seen that to register the voters cost the Government 21 cents per name, including the 4 cents per name paid to the returning officer. Adding the Government's expenditure to the estimated expenditure of the political parties, we find a minimum cost for the last election exceeding \$4,000,000, or more than \$1 per vote polled.

This total expenditure is, I think, unwarranted. While party money goes for the payment of so-called legitimate expenses, the higgledy-piggledy method of conducting elections encourages very many expenditures that are useless and needless. There is altogether too much duplication, too much waste effort, one party trying to protect itself against the other.

Among the ways and means of reducing election expenses the first and most important thing to be considered, I think, is the time at present required for an election campaign. Six weeks is entirely too long. In these days of rapid transportation, with the help of the air force to deliver the ballot boxes in the far-flung constituencies, and with the radio bringing the issue direct to the electorate in all ridings from the day the election is called, enabling party leaders to talk direct to the voters, and thus eliminating the need for the old barnstorming campaign, it should be possible to reduce the time necessary for an election campaign to three weeks; and in the occasional deferred election that may be necessary, four weeks should suffice. This cutting down by half of the time required for an election campaign would, I estimate, re-

duce the expenditure of each party by at least one-quarter. This alone would result in a saving in the election expenses of all parties of at least half a million dollars. I think honourable senators who have been active in election campaigns, particularly the recent one, will realize what a great effort is required during the last two or three weeks to keep up the political "whoop" and to maintain an interest that otherwise would wane. That effort, and the consequent expenditure of money, are in my judgment entirely unnecessary.

The main item of expense to both parties in an election is, as I think all honourable gentlemen will appreciate, the preparation of the voters' list. It must be apparent to all that when the Government is already spending \$1,100,000 in the preparation of a list, that list should be of such a character that neither party need worry about its accuracy or completeness.

I am in favour of adopting the Australian system of compulsory voting. We have heard a good deal about the Australian Compulsory Voting Act, but I doubt whether many are familiar with it; so, at the risk of wearying honourable senators, I shall read a short analysis of the salient points.

First, the Act provides that every elector residing within five miles of a polling place must record his vote.

Second, it places a duty on the Divisional Returning Officer to compile a list of those electors who have not voted.

Third, it provides that within the prescribed period after the close of an election the Divisional Returning Officer shall forward a notification to each elector who has not voted, requiring him to give a valid, truthful and sufficient reason for his failure to vote. This notification contains a form to be filled in by the elector and returned to the Divisional Returning Officer, stating the true reason why such elector has failed to record his vote.

Fourth, it contains a provision whereby, if the elector is unable, by reason of absence or personal incapacity, to complete and return the form, this can be done by some other elector who has personal knowledge of the facts.

Fifth, it gives the Divisional Returning Officer discretion to decide whether or not the reason contained in the form shall be considered a sufficient excuse for not having voted.

Sixth, it provides that within three months after the election the Divisional Officer shall forward to the Chief Electoral Officer a list showing: (a) the names of the electors who

did not vote, (b) the names of the electors who did not vote and who have forwarded their reasons for not voting, and (c) the names of the electors who did not vote and who failed to forward any excuse.

Seventh, it excuses from the provisions of this Act any elector serving outside of Australia with the forces of any British Dominion or allied country.

Eighth, it provides a penalty of one pound sterling for the offence of failing to vote, without sufficient reason, or for failing to forward an explanation of his failure to vote, or for submitting a false reason.

Ninth, it provides that proceedings for any of these offences should not be instituted except by the Chief Electoral Officer or upon his authorization.

Tenth, it authorizes the Divisional Returning Officer to remove from the voters' list any elector who has not voted and who has failed to forward the prescribed written explanation of his failure to do so.

Those are the important clauses in the Australian compulsory Act. It will be observed that they are not very stringent, yet under this Act, as the honourable senator from Saint John (Hon. Mr. Foster) pointed out the other day, the number of voters increased until in the 1926 election 93 per cent of the registered votes were recorded.

The next important item in election expenses is the cost of getting out the vote. Transportation, the purchase of which is prohibited by law, forms an important part of this item. The honourable senator from Saint John suggested that motor cars might be commandeered for the voting hours on election day, and this is a contribution that citizens who own cars might well be called upon to make in the interest of good government. To make election day a holiday, as the honourable senator also suggested, if with pay, might sufficiently compensate the voter that he could afford to provide his own transportation to the poll.

I would also make registration compulsory. In this connection I would suggest that honourable members consider the advisability of having our postmasters in villages and rural districts used as permanent deputy returning officers and local registrars of voters. It would seem a simple matter indeed for all persons who get their mail at a post office to register themselves there as voters. It might be necessary to have some additional arrangements for voting in cases where the distance of voters from the post office would justify the electoral officer in establishing extra polling booths. It will be observed that under

the Australian Act the limit for compulsory voting is five miles. A similar limit might be provided in this country, and that would take in probably 98 per cent of our electorate.

In connection with election expenses I have a suggestion which I think might make for a more acceptable, reliable and complete registration, namely, that the scrutineers should be appointed in advance, on the recommendation of the two leading political parties in the respective constituencies at the last election, and paid for by the Government. Under such a plan an annual registration would ensure a complete voters' list ready for an election at any time. If that suggestion were followed the expense of the whole election machinery would be borne by the Government, and the result should be absolutely fair and honest elections.

In the cities, of course, a different arrangement would have to be made. Steps certainly should be taken to ensure honest elections in our large centres. Impersonation, or so-called telegraphing, must be discontinued, and I know of no more effective way of discouraging it than the imposition of heavy penalties for offences. Certainly it is more serious for a man to take away the voting privilege of a fellow citizen than it is to forge the signature on a note; yet the offence of forgery is punishable by a much more rigorous penalty than is impersonation.

Other election expenses, such as publicity, including newspaper advertising, radio broadcasting, and so forth, while running into considerable sums of money, are of secondary importance. Now that the Government controls radio and owns a number of stations, special rates might well be quoted for political programs and a reasonable division of time allotted to the parties. Certainly the press, which has some responsibility in this matter and frequently gives us lectures in its editorial columns on the scandalous expenditures connected with elections, should be restrained from charging double rates for political notices and advertising.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. McRAE: Many other matters of minor importance need righting. I could give a list of at least a dozen such matters, the correction of which by legislation would make for a much better working of the Election Act. One point that must be apparent to everyone is that our voters' lists should be applicable for provincial as well as federal elections. It seems absurd in these times to have two separate voters' lists, with all the inconvenience and expense their preparation and maintenance involve.

After all the suggestions that have been made in this debate, it must be evident to honourable senators that very substantial reductions can and should be made in election expenditures. With a fifty per cent reduction in the time for conducting campaigns, with compulsory registration and compulsory voting, and with various other means of economizing that have been suggested, I believe that the present ridiculous expenses of candidates for Parliament can be reduced by at least two-thirds, and thus brought within the bounds of reason. Somehow, in some place, either in this House or the other, and at some time in the near future, before the next election is on us, definite conclusions in this matter should be arrived at and given effect to by legislation if future elections are to be conducted on a basis in keeping with the highest standards of Canadian citizenship.

Hon. W. A. BUCHANAN: Honourable senators, I think Parliament and the whole country owe a debt to the honourable member from Saint John (Hon. Mr. Foster) for introducing in the Senate a discussion on the question of electoral reform. It is true that as individuals we are not so keenly interested in this matter as were some of us a few years ago. Like the honourable senator from Saint John and the honourable senator from Vancouver (Hon. Mr. McRae), I have had experience in election campaigns over a considerable period. The speeches of both these honourable members contained some very sensible and useful suggestions; but as I listened to them I recalled that in my election campaigns funds were not, in my opinion, the determining factor in the constituency where I happened to be a candidate. I felt, and still feel, that outstanding public issues were the cause of the people voting as they did, and although the political organization possibly had considerable influence, very little change in opinion was brought about by campaign funds.

I think the political parties of the country are largely to blame for the high cost of elections, because they have created the belief that there is no need for the electors to contribute anything towards campaign expenses in their own constituency; that all the costs will be defrayed by moneys coming from some unknown outside source. If I were to make any suggestion for reform in connection with electoral expenses, it would be that the funds of the central organizations should be expended on publicity only—for use of the radio, for literature and whatever advertising was necessary—and that the money for all other expenses in a constituency should be contributed by the local electorate.

It might be argued by those who live in large centres that this plan would be impossible for them; that the expenses would be too great to be borne by the people of city constituencies. In my own province there is, I think, very good proof of the fact that it is possible for local electors to bear all campaign expenses apart from those for publicity. In Alberta a political organization known as the United Farmers of Alberta has been very active since 1921, not only in provincial but also in federal affairs. It is true that the candidates of that party contest rural seats almost exclusively—that they very rarely run in a large city riding. I am satisfied, however, that the U.F.A. conduct campaigns at very little cost. Whatever expense the organization incurs in any constituency is borne by the local members of the organization. Those members are so zealous for the welfare of their cause that out of their own pockets they pay a small fee towards the expenses of the local campaign.

If publicity expenses only were paid by central organizations and all other necessary money were raised in the particular constituencies where it is spent, the cost of elections would probably be reduced considerably. Once the electors realized that they themselves were sharing in the financial burden of a campaign, they would not want to be paid for acting as canvassers or scrutineers, or in any similar capacity. For such service they now accept payment largely because they feel that there is plenty of money coming from outside sources. The other day a colleague in this Chamber told me that in his experience he found it necessary to pay even some of the speakers who went out to address public meetings, because these speakers knew that there was a fund out of which payment might be made. I have never had such an experience myself, and it seems to me that if things have got to that stage it is time to make some reforms.

I think this debate will be of some value not only to Parliament, but to the country at large. After all, it is the country that needs to be converted to a different view, rather than members of the Senate and the House of Commons. Many people express righteous indignation at exposures of large expenditures of campaign funds, and at certain practices that are resorted to when an election is on. My experience is that most of such people are interested in elections only after they are over; it is almost impossible to get some of them to come out and vote, and certainly impossible to induce them to take an active interest in a campaign. If that element in our population would only interest themselves in a

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campaign while it is being conducted, we might far more rapidly reduce the cost of elections and do away with practices that are criticized.

I do not want it to appear that any remarks I may make with regard to newspaper advertising arise from self-interest, but since I am speaking from experience I may as well say that during the years I have conducted a newspaper I have found election advertising to be the most unprofitable of any advertising that I have published. Some of the election accounts are paid, but seventy-five per cent of them are not. It does not make much difference what rates you charge if you receive no payment. And as a newspaper publisher I should like to say that, even if advertising rates for election notices are high, it must be kept in mind that the newspapers of this country give free of all charge a vast amount of publicity to both political parties. In every political campaign the Canadian Press, of which I am a director, at its own expense sends representatives to travel with the political leaders and make reports of their speeches, and generous space is given to the publication of these reports in news columns. During a campaign every newspaper finds it necessary to assign reporters to cover political meetings, and considerable expense is incurred by the papers in this way. Of course, that is quite proper, for a newspaper must give the news of what is being done, not only by any one party which it may support, but by all parties, and these reports should be as fair and unbiased as possible.

I am in accord with what has been said about the necessity for some form of compulsory voting, and believe that we shall have to come to it in this country. It may be asked, Why force a person to go to the poll and vote if he is not interested in the result of the election? Well, I would compel people to go to the polls even if they spoiled their ballots when they got there. Such compulsion would eliminate the necessity of arrangements by candidates to have voters conveyed to the booths. There is no need for me to say more about compulsory voting, for strong arguments have been advanced in favour of it by the honourable gentleman who has proposed the inquiry (Hon. Mr. Foster), as well as by the honourable leader on this side of the House (Hon. Mr. Dandurand), and the honourable senator from Vancouver (Hon. Mr. McRae).

I am in sympathy with the honourable senator from Vancouver when he refers to the way in which members of Parliament are

often imposed upon after their election. In trying to maintain happy relationships with his constituents, a member has to continue making payments out of his own pocket. I am reminded of an incident which may be familiar to the right honourable leader of the Government (Right Hon. Mr. Meighen), since it relates to a constituency in Manitoba which he at one time represented. The story as I was told it is that a former member for that constituency, having been defeated and left stranded with virtually no means of support, was walking down a street in the city of Portage la Prairie and in a store window saw a silver cup which he, while a member of Parliament, had donated for a football league, and he exclaimed, "Oh my! I wish I could melt that thing down, because I should like to have the worth of it to-day." I think many members of Parliament have been more or less stranded financially as a result of the demands made upon them after their election. I repeat that the responsibility for the proper conduct of elections is on the people themselves, and if reform is to be brought about it must be through a change in the public attitude.

Hon. C. C. BALLANTYNE: Honourable gentlemen, I intend to refer briefly to certain observations made by the honourable senator from Vancouver (Hon. Mr. McRae) and the honourable senator who has just taken his seat (Hon. Mr. Buchanan). They stressed the necessity for compulsory registration and compulsory voting. The difficulty that would confront any gentleman who might seek to represent a large Montreal constituency in the House of Commons would not be to compel people to register or to vote; for, as those of us who have been parliamentary candidates know, in Montreal many more men and women vote than have ever lived in the constituency. Consequently I should like to see the Dominion Elections Act so amended as to impose severe penalties for impersonation or "telegraphing."

In the Province of Quebec women have not yet been given the provincial franchise, and therefore they have to register for the federal franchise. I know from bitter experience that hundreds, if not thousands, of women register who have never lived in the constituency at all. The fraud is practised in this way. A certain class of women are given a list of names. Each woman goes to a registration booth. A very modest looking young lady, we will say, presents herself as Miss Jessie Brown, and on being asked where she lives she answers, "I am a maid at the Windsor"—or at the Ritz or one of the large apart-

ment houses. As a matter of fact she is not engaged there at all. In this way, I am convinced, thousands get on the voters' lists fraudulently.

With regard to the men, if my honourable friend from Vancouver (Hon. Mr. McRae) lived in my city, and did not go down fairly early in the morning to vote, he would very likely find that some other gentleman had voted for him.

Hon. Mr. CALDER: A terrible place!

Hon. Mr. BALLANTYNE: No, I do not think Montreal is worse than any other city in this respect. But "telegraphing" has always been practised there wholesale. By enacting legislation to discourage impersonation in large cities, if not to stamp it out altogether, Parliament would confer a great favour on parliamentary candidates and very much reduce their election expenses.

The honourable senator from Vancouver (Hon. Mr. McRae) has told us that the election expenses of a candidate seeking parliamentary honours would on an average amount to \$4,000. In a large division in Montreal this sum would not last him a week. It will be seen that in my city a parliamentary candidate has to incur very heavy expenses. The election expenses in certain of the Montreal constituencies are fairly moderate, but in the densely populated districts, where all classes and creeds live, the only reasonable chance a candidate has of being elected is to go to the enormous expense of engaging men to make door-to-door canvass and write down particulars of every man and woman voter—the colour of their hair and eyes, and the numbers of their residence and business telephones. This information is handed to the scrutineer, so that when a voter says, "I am John Jones," the scrutineer may make sure that his personal appearance tallies with the description of John Jones. Like other honourable senators, I am fortunate to find myself in this Chamber; but for the benefit of those who from time to time may be parliamentary candidates, I should certainly like to see the Dominion Elections Act so amended as to ensure more honest elections than we have at the present time.

I have been told on pretty good authority that if you run in certain divisions in Montreal certain classes of men will offer you two contracts. First, if you are willing to pay the price, they will guarantee you majorities at certain polls specified in the contract. Under the other contract they will not guarantee you such majorities, but they will work for you very industriously. I am sorry to say that in my city the women impersonate to about as great an extent as do the men.

The Dominion Elections Act should be amended so that persons found guilty of these corrupt practices would be punished with a heavy fine, and even imprisonment.

I am very glad indeed that the honourable senator from Saint John (Hon. Mr. Foster) has brought this matter to the attention of the House, and that he and other honourable senators have spoken so ably thereon; but I sincerely trust that in addition to acting on the sound advice tendered with regard to the rural ridings, the Government will take steps to amend the Dominion Elections Act so as to bring about the reforms that I have suggested with respect to the conduct of elections in our large constituencies.

Right Hon. ARTHUR MEIGHEN: Honourable senators, when the honourable gentleman from Saint John (Hon. Mr. Foster) placed his inquiry on the Order Paper, my first impression was that the subject came peculiarly within the purview of the other House rather than of our own, and that it might be unwise on our part to assume the officious attitude of seeking to prescribe rules and regulations applicable, not to ourselves, but to those who aspire to become members of the other branch of Parliament. I must admit, however, that the course of the discussion has somewhat altered that idea—a proof that debate is not fruitless, at least in the Upper House. I incline now to the opinion that perhaps a better review of the whole position could be obtained by a committee of this House. In such a committee there would be less danger of controversy on purely party lines, and principles might be laid down which would be fair to all sections aspiring to strength in Parliament; particularly principles not especially advantageous to the party which has the largest interests affiliated with it financially, or to the Government of the day.

Consequently, my first observation is that I have no objection at all to answering in the affirmative the question immediately put in the inquiry. It has become quite evident from the discussion, if it was not already evident to those who have had very close association with elections over a period of years, that the infirmities of democracy are many and serious, and have not by any means been overcome with the advance of time. The admission of women to the franchise has multiplied such infirmities and doubled the burden of election contests, and I fancy there are those who to-day question whether the benefits have outweighed all the disadvantages.

The discussion has largely centered around specific suggestions which might come before

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such a committee. The main suggestion is that there should be compulsory voting.

Our Dominion Elections Act is exceedingly drastic. Reading the Act, one comes very quickly to the opinion that there is almost nothing in the world a candidate is allowed to do—except to work his head off speaking, and to pay his own expenses. The number of prohibitions is simply multitudinous. If that Act were followed strictly, I do not know how elections could be conducted at all. There may be some isolated exceptions, but, in my judgment, generally speaking, you cannot go any further in the way of strait-jacketing the candidate and his immediate supporters; certainly you cannot go any further in the way of prohibitions applicable to the man who is carrying the load.

The path of reform, I fancy, is probably the path suggested both by the honourable member for Vancouver (Hon. Mr. McRae) and the honourable member for Lethbridge (Hon. Mr. Buchanan), of seeking to impose some obligations on the public themselves and to limit the field within which money can be spent, rather than seeking to limit the sources from which money can be obtained. This is true especially for the reason that in practice it has proved utterly impossible to limit those sources. So long as there is a place to which money can go to the advantage of those who advance it, money can be secured on the part of one side or the other. If, however, we could move in the direction of narrowing the field into which money can go, we might possibly add somewhat to the common sense with which elections are conducted. That compulsory voting would be a step in this direction, and a very long step, I have personally no doubt.

The debate has proceeded now over several days, and, curiously enough, not a single member of this House—and most of us have had to do with elections over a long period of time—has spoken out flatly against compulsory voting. If the elector can be compelled to do his duty to the State—and everybody realizes that to vote is a duty to the State—then, at least, the field for application of money in bringing him to the poll will be very importantly narrowed. There will not be so much that the dollar can do. At least, the dollar will not have to be applied towards that objective.

I do not think the honourable senator from Alma (Hon. Mr. Ballantyne) exaggerated the evil practices that have grown up in the conduct of elections in our larger cities. He says it is not so important to compel people to vote as to prevent those who have not

the right to vote from impersonating those who have. He is quite correct. Of course, the Dominion Elections Act does put a very heavy penalty upon impersonation, but in densely populated centres like Montreal it has proved to be very difficult to enforce that penalty. Before proceedings can be taken the impersonator has disappeared into thin air. He never is anybody well known; very likely he never lived in Montreal; probably he was brought up from New York or some other distant city; and even if a Montrealer, he is obscure and probably posing as a servant. He votes early in the day, and when the rightful voter seeks to exercise his franchise he finds that it has already been exhausted.

It would appear to me that compulsory registration would go a considerable distance towards preventing that masquerading. If the person entitled to vote is compelled to register, and a penalty is imposed upon his or her failure to do so, then the habit will grow up among those having a right to vote of getting their names on the registration lists, and it will become very difficult for others to register in their places. It will not be impossible, of course, for impersonators to vote, but the very same principle applies: if those who have a right to vote are compelled to vote, they are very likely to vote early, and so there is less chance of the fraudulent voter escaping. It is not unlikely that the person who has a right to vote will have exercised his franchise, and the person who comes as a criminal to steal that right will find himself too late. The double liability of compulsory registration and compulsory voting would at least mark a very considerable advance against the impersonator or telegrapher, whose difficulties would be multiplied. Consequently I think this double liability ought to make still narrower the field in which money can be applied and the field into which at election times the evil-doer can come.

Something has been said as to reducing election expenses in other particulars. The honourable senator from Vancouver (Hon. Mr. McRae) should know more of that than I, and I take no exception to any of the contentions he has advanced. I am in favour of his argument that advertisements tendered by election candidates should compulsorily be admitted at the regular rates charged by the newspaper concerned. I am afraid I cannot concur with the honourable senator from Lethbridge (Hon. Mr. Buchanan). I do not doubt his statement that election advertising may prove to be the least remunerative

to newspapers, but if it should be the least remunerative, the reason would be that it had not been paid for. He must conduct his paper on more generous principles than those with which I came into direct contact myself. I did not notice that any honourable members from Montreal cited any experience of similarly generous treatment. In the larger places great care is taken that the price is paid; and quite rightly so. But I cannot admit the principle that any person, merely because he is in a position to do it, should have a right to penalize a candidate for public office. Nor have I ever been able to convince myself of the equity of another practice on the part of newspapers—to charge for advertisements discriminating rates which have to be accepted, no matter what they are, because insertion of the advertisements is required by law. I do not think anyone who seeks to throw his mind into the fundamentals of the question can argue in favour of such discrimination. No one would want to take the position that the advertising rates charged by the press of our country should be low. They should be remunerative rates, they should under all circumstances be fair rates, but they should be applied generally; advantage should not be taken of special persons merely because that advantage accrues by virtue of the legislation of our land.

This comprises all I had intended to say. May I add my word of commendation to the compliments already tendered the honourable senator for Saint John (Hon. Mr. Foster) on his bringing the question to our attention, and may I express the hope that at a later date the House will see fit to act upon the suggestions he has made.

Hon. J. S. McLENNAN: Honourable senators, I should like to call the attention of the House to what seems to me a misunderstanding with regard to the advertising tariffs of newspapers. Even to the general public there is a great difference between the cost of contract advertising, which appears regularly, practically day in and day out, and the cost of casual advertising, which appears only once, twice or maybe three times. While I cannot speak off-hand as to the relative proportions of the rates, I know that the rate applicable to current business does not apply either to political advertising, which appears for only a few weeks, or to legal notices.

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

DIVORCE BILLS

FIRST READINGS

Hon. Mr. McMEANS, Chairman of the Committee on Divorce, presented the following Bills, which were severally read the first time:

Bill K, an Act for the relief of Auguste Burdayron.

Bill L, an Act for the relief of Nora Tulloch Carr.

Bill M, an Act for the relief of Alberta Grace Wood.

Bill N, an Act for the relief of Hilda Nice Allen.

Bill O, an Act for the relief of Mary Louise Robinson Reid.

Bill P, an Act for the relief of Elizabeth Bernstein Schmerling.

The Senate adjourned until Tuesday, March 28, at 3 p.m.

THE SENATE

Tuesday, March 28, 1933.

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

Prayers and routine proceedings.

VISITING FORCES (BRITISH COMMONWEALTH) BILL

FIRST READING

A message was received from the House of Commons with Bill 40, an Act to make provision with respect to Forces of His Majesty from other parts of the British Commonwealth or from a colony when visiting the Dominion of Canada; and with respect to the exercise of command and discipline when Forces of His Majesty from different parts of the Commonwealth are serving together; and with respect to the attachment of members of one such force to another such force, and with respect to deserters from such forces.—Right Hon. Mr. Meighen.

The Bill was read the first time.

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

Right Hon. Mr. MEIGHEN: To-morrow.

Hon. Mr. DANDURAND: Honourable gentlemen, inasmuch as this Bill seems to be somewhat involved, and presented some difficulties of interpretation in the other House, and as I, unfortunately, shall not be here at the end of the week, I would suggest to my right honourable friend that, unless

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there is particular need for haste, the second reading should be postponed until Tuesday next.

Right Hon. Mr. MEIGHEN: I know it is desired that certain Bills should receive the Royal Assent on Thursday. My present opinion is that this Bill is not one of them. Meantime, however, in order to be sure, I should like to have the second reading fixed for to-morrow. At that time, if it is not essential that we proceed immediately, I shall move to have the second reading postponed until Tuesday.

Hon. Mr. DANDURAND: What surprises me is that a Bill of this kind, which nobody in the other House seemed to understand very well, even its sponsor asking for repeated adjournments, should be rushed through this House.

Right Hon. Mr. MEIGHEN: I do not think there is any need for haste. I really feel confident that there will be no difficulty about postponing the second reading until next week, but I want to be certain. I assure my honourable friend that I understand this Bill pretty well now, and that the Senate will not lack a sufficient explanation if hard work between now and to-morrow will make it possible.

EXCHEQUER COURT BILL

FIRST READING

Bill 44, an Act to amend the Exchequer Court Act (Exclusive jurisdiction).—Right Hon. Mr. Meighen.

APPROPRIATION BILL No. 2

FIRST READING

Bill 52, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1933.—Right Hon. Mr. Meighen.

INCOME WAR TAX BILL

FIRST READING

Bill 11, an Act to amend the Income War Tax Act.—Right Hon. Mr. Meighen.

DOMINION NOTES BILL

FIRST READING

Bill 54, an Act to amend the Dominion Notes Act.—Right Hon. Mr. Meighen.

RELIEF BILL

FIRST READING

Bill 55, an Act respecting Relief Measures.—Right Hon. Mr. Meighen.

EVASION OF INCOME TAX

QUESTION OF PRIVILEGE

Hon. LAWRENCE A. WILSON: Honourable members, I rise to a question of privilege. My attention has been drawn to an article that appeared in the Financial Counsel of March 11, four days after my speech on the floor of this House. That journal is published in Suite 1505-1507 in the Royal Bank Building, Saint James Street, Montreal. On page 4 the editor says, amongst other things:

The bond-buyers of Canada are amongst the most potent influences towards the maintenance of the credit of the country—much as the depositors in the savings departments of the banks are the ones who provide the funds wherewith credit is extended to keep up commercial operations. Both are bulwarks of industry and finance, and it ill becomes a politician at Ottawa, simply because (with governments in power during the past 15 years that neglected to take the most obvious steps for tightening up the income tax regulations in connection with bearer coupon bonds) a percentage of bondholders took advantage of the negligence, to include every holder of a bearer bond as a class that deserves ridicule and condemnation. The whole situation should be so clear that it calls for no indiscriminate criticism, but having received this, perhaps a few words of protest may be pardonable at this time.

Honourable members, no person has questioned what the coupon clippers in general have done towards the building up of the Dominion of Canada, but those whom we have fearlessly questioned are the holders who have not included the clippings in their income tax returns. The editor admits in paragraph 3 that there have been dodgers of the income tax, and that it has been easy for them to escape because of the neglect of our governments to supervise and collect, as the present Administration intends to do. If the editor had taken the trouble to read my speech of the 7th instant he would have seen my statement that hundreds of men in affluence had evaded, in part or in whole, the payment due to the Government from their revenue. But when he says it was asserted that every holder of bearer bonds evaded the tax, I can only refer him to our Hansard of November 16, 1932. There he will find that I asked this question:

How do you expect the Government to get the money if some of the people are evading the income tax?

These speeches were favourably commented upon by all the independent press of Canada—and there are a few such papers left.

Honourable members, may I refer the editor of the Financial Counsel also to page 3543 of Hansard of May 18, 1926. On that date, in my speech on the budget, I said, amongst other things:

I wish to say something regarding concealed bonds and securities. I want to impress upon the Minister of Finance that there are concealed bonds, coupons and securities hidden away in strong boxes throughout this country, not paying their honest taxes to the Government. I want to say on the floor of this House that I believe some people are concealing their securities, bonds and coupons payable to bearer, and thus cheating this country of its just dues. These men are despicable; they should not be called Canadians, and I claim that the Minister of Finance, who has it in his power, should start the machinery to break into these strong boxes, if necessary, and make the owners of these concealed bonds pay what is due the Government. I am not exaggerating when I make that statement. By what means can he do it? It is rather difficult to know. It is almost as difficult as to find out in the Customs probe who is doing the smuggling—difficult when you get all sorts of people coming forward who will swear, but not bet. I claim that the Minister of Finance and the Government, who are striving by every means to increase the revenue of this country, should see to it that the man who is hiding coupon bonds and trying to defraud the Government and the common people of this country who are earning their living by the sweat of their brow, should be brought before the criminal courts of this country. How are you going to reach them, Mr. Minister? Reach them, if necessary, by printing a proclamation in the newspapers of this country stating that in the case of any man who conceals bonds and does not report his income therefrom in the regular way, when he dies and a statement of his affairs has to be made to the Government of the province in which he lives, for succession duties, his whole estate will be confiscated. That man will then start thinking of his family and pay his honest debts. That is my advice, Mr. Minister, on that question, and I think in that way the treasury of this country would be the richer by several million dollars.

If able and intelligent writers, such as I take the editor of the Financial Counsel to be, do not assist independent and fearless men and the Government, and if they decline to lend a helping hand to pull unfortunates out of the ditch, they must bear the terrible responsibility for the spread of poverty and crime, and for Communism and Socialism invading our peaceful Canadian homes.

May I take this opportunity to suggest that poor men, with families of ten or more children, should be exempt from any income tax payments?

It has been said that "the pen is mightier than the sword." But I know of something a million times more powerful than ink and paper, and that is the starving and enraged people.

PRIVATE BILL

SECOND READING

Hon. A. H. MACDONELL moved the second reading of Bill 29, an Act to amend and consolidate the several Acts relating to the Board of Trade of the city of Toronto.

He said: Honourable senators, this is a Bill to amend and consolidate the several Acts relating to the Board of Trade of the city of Toronto. This Board was constituted in 1845 and has been functioning ever since. In the meantime there have been passed a number of statutes dealing with the original Act of incorporation and with powers thereby conferred, a list of which statutes appears in schedule E at page 14 of the Bill. The promoters of this measure desire to have the several Acts referred to amended and consolidated for the purpose of avoiding confusion.

The Bill, which is a lengthy one, was passed by the House of Commons with only one small amendment, and this was agreed to by the promoters. After second reading here, I intend to move for reference to the Committee on Miscellaneous Private Bills. At that committee the promoters will be represented by counsel, who will be prepared to give any information desired.

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

DIVORCE BILLS

SECOND READINGS

On motion of Hon. Mr. McMeans, Chairman of the Committee on Divorce, the following Bills were read the second time:

Bill K, an Act for the relief of Auguste Burdayron.

Bill L, an Act for the relief of Nora Tulloch Carr.

Bill M, an Act for the relief of Alberta Grace Wood.

Bill N, an Act for the relief of Hilda Nice Allen.

Bill O, an Act for the relief of Mary Louise Robinson Reid.

Bill P, an Act for the relief of Elizabeth Bernstein Schmerling.

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

THE SENATE

Wednesday, March 29, 1933.

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

Prayers and routine proceedings.

Hon Mr. MACDONELL.

CHARITY SWEEPSTAKES BILL

REPORT OF COMMITTEE

Hon. F. L. BEIQUÉ presented the report of the Standing Committee on Miscellaneous Private Bills on Bill I, an Act with respect to Charity Sweepstakes, with some amendments.

The Hon. the SPEAKER: When shall the report be taken into consideration?

Hon. Mr. McMEANS: Now.

Hon. Mr. GILLIS: We do not know the nature of the amendments.

Right Hon. Mr. MEIGHEN: I should like to have the amendments taken into consideration later, so that we may have an opportunity of reading them. Would next Tuesday satisfy the sponsor of the Bill (Hon. Mr. McRae)?

Hon. Mr. McRAE: Well, that is a fairly long time.

Right Hon. Mr. MEIGHEN: To-morrow?

Hon. Mr. McRAE: All right.

Hon. Mr. MURDOCK: Honourable senators, I am not a member of the Committee on Miscellaneous Private Bills, but I was present at the meeting this morning and heard the amendments. It seems to me that every member of the House is entitled to an opportunity to read these amendments carefully and see what has been done in the making of them, for in my opinion the principle of the Bill has been entirely changed in committee. It would appear that the word "charity" was only camouflage, and that it is now proposed to pass a Bill that is in a different form from that which we adopted. I certainly hope we shall have printed copies of these amendments before we are asked to consider them.

Hon. Mr. CASGRAIN: We shall have copies to-morrow.

The Hon. the SPEAKER: It is moved by Hon. Senator Béique that these amendments be taken into consideration on Tuesday next.

Right Hon. Mr. MEIGHEN: Honourable senators, at first I suggested Tuesday next, but when I turned to the honourable member who has charge of the Bill (Hon. Mr. McRae) he preferred to-morrow. For myself to-morrow is all right; but this is a private Bill and I have no more to say about it than has any other honourable member. I think, however, that the day preferred by the

sponsor of the Bill is the day that should be in the motion put to the House.

Right Hon. Mr. GRAHAM: Would it be in accordance with the rules of the House to take these amendments into consideration to-morrow?

Hon. Mr. CASGRAIN: Yes.

Right Hon. Mr. GRAHAM: I am inclined to think that the honourable sponsor (Hon. Mr. McRae) had better not press for consideration to be given to-morrow. It is absolutely unthinkable that we could know by that time what these amendments mean.

Hon. Mr. CASGRAIN: They will be printed then, and the right honourable gentleman can read.

Right Hon. Mr. GRAHAM: Perhaps my honourable friend will vote without reading them. As a matter of fact, many of us will have no time to look at them this afternoon, for we have to attend a committee meeting, and we shall be in the same position to-morrow morning. So how can we be expected to know all about them to-morrow afternoon?

Hon. Mr. McRAE: I am quite agreeable to having the report considered on Tuesday next. But may I observe that the honourable senator from Parkdale (Hon. Mr. Murdock) is, I think, under a misapprehension as to what was done in committee this morning. I am not a member of the committee either, but I understand the only change in the Bill makes it read that the sweepstakes, instead of being for the benefit of the sick, the destitute and the maimed, shall be for the benefit of hospitals. This follows the wording of the Bill which was before the House last session. I think some members of the committee can confirm my statement.

Hon. Mr. PARENT: As a member of the committee I can confirm the honourable gentleman's statement.

The Hon. the SPEAKER: Is it your pleasure, honourable members, that these amendments be taken into consideration on Tuesday next?

The motion was agreed to.

THE CATTLE INDUSTRY

MOTION FOR REFERENCE TO COMMITTEE

Hon. D. E. RILEY moved:

That the Standing Committee on Agriculture and Forestry be authorized to consider and inquire into the conditions of export trade in cattle and the cattle industry generally.

He said: Honourable members, in speaking to this motion I wish to draw the attention

of the House to the importance to Canada, in a national way, of the live stock industry, and particularly the production of cattle.

The keeping of flocks and herds is the first industry of which we have any record, and all down through the ages it has been one of the principal occupations of mankind. To-day in Canada, a country in which agriculture is conceded to be our greatest and most enduring natural resource, live stock is the most important part of our agricultural life. The cattle men were the pioneers of Western Canada, as they have been the pioneers of all agricultural countries. After the disappearance of the buffalo from the plains of Western Canada, great herds of cattle, mostly from the Western States, took their place, and the raising of commercial cattle was the most important business of the country. This continued until, in the nineties, settlers began to pour into the Canadian West, and the cattle men, with their herds, were driven to the rougher parts of the country, chiefly the foothills and lands adjacent to the Rocky Mountains. Then it was proved that those lands that were thought to be good only for grazing purposes would produce wheat of the finest quality. I am free to say that it would have been better for all concerned if some of those lands had remained grazing lands. From that time, however, wheat has taken a leading place in the minds of the people of Canada from an agricultural standpoint.

I do not wish to minimize the value of wheat nor what it has done for Canada. It has made this country one of the great exporting countries of the world. It has been the means of settling the Western plains and has brought untold wealth to Canada.

The prominence that has been given to wheat has been brought about to a large extent by the efforts of the farmers, and their representatives in the press and in Parliament, to provide for themselves a transportation and marketing system that would give them the world's market price less the carrying charges. To-day, the crowning result of those persistent efforts is found in the Canada Grain Act, a monument to those men who were instrumental in bring it about.

I have already stated that live stock is the most important branch of agriculture, notwithstanding the importance of wheat production. I know that many will not agree with such a statement, and I wish to quote some figures which will prove my contention to be correct. They have been obtained from Government statistics for 1931, the latest year for which figures are available.

In 1931 Canada produced 304,000,000 bushels of wheat. At 38 cents per bushel—the average price to the farmer that year—the value amounted to \$115,520,000.

In the same year Canada marketed through stock-yards 600,000 head of cattle. There were country-killed 900,000 head. The 900,000 is an estimate only, as no record is kept of the cattle killed in the small towns and villages and on the farm. These figures are supplied by the Department of Agriculture. Taking the cattle marketed through the stock-yards and those killed in the country, we have a total of 1,500,000 head. Putting the average price at \$40 a head, the value is \$60,000,000. Then I take dairy products—milk, cream, butter and cheese: these represent a value of \$238,000,000. Adding this figure to the \$60,000,000, we have a total for cattle and cattle products of \$298,000,000— or more than twice the value of our wheat production.

The figures I have quoted are, I believe, a conservative estimate, and over a number of years are a fair comparison.

Again, only a comparatively small area in Canada is suited for the production of wheat on a commercial basis, while on every farm in Canada from coast to coast cattle can be, and are, successfully raised. In what has been called the best agricultural province in Canada the people raise only enough wheat for their own use, but their barns are full of cattle. They raise a surplus there, as in other parts of Canada. The low price of cattle affects adversely more people in Canada than does the price of wheat. The price level of our agricultural products, which are in excess of our consumption, is set by the price level of our export market. The small number of cattle exported for some years past must not be taken as a standard of our productive capacity, for under the stimulation of good prices Canada in 1919 exported 550,000 cattle, most of which went to the United States; and to-day we could produce an equally great surplus if prices justified us in doing so.

In our efforts to foster and build up a profitable trade with Great Britain—the only market which we have to-day—the winter feeding and finishing of high-class beef cattle has been gradually growing in the province from which I come. These cattle are produced by the rancher and fed by the farmer under a feeding arrangement. In this way the farmer can dispose of his coarse grains and find employment for himself and others, and, could a fair price be obtained for the finished product, the result would be a profitable transaction for both rancher and farmer.

Hon. Mr. RILEY.

Another branch of the cattle industry has been fostered in the West through the red label branding of beef. This business started in Western Canada and has grown to tremendous proportions. In the month of February this year there were sold as branded beef 5,000 head of high-class animals, or almost double the number sold last year. Only the choicest beef cattle that can be raised are eligible for this brand, and they must be finished properly. This means that for three, four, five or sometimes six months they must be fed on grain. Many people think that we can produce red label and blue label beef by turning the animals out on the luxuriant grasses of the Western plains and finishing them there. That is a mistake. The cattle eligible for those brands, and fit to be shipped to Great Britain, must be finished on grain. Experience has shown that it is not profitable to-day to ship cattle finished on grass, and as a result the system has changed entirely.

The feeding of red label beef gives employment to many farmers. All the feed the ranchers can rustle is required to feed their producing stock; so the other animals are turned over to farmers who are qualified and equipped to feed them. No money changes hands. An agreement is made whereby the cattle are weighed in at a certain time, and four or six months later they are weighed out, and the feeder is paid for the difference in weight on the basis of the selling price. This business has assumed considerable proportions. At present prices, however, I am afraid the industry faces extinction.

At present there are in the Province of Alberta 13,000 high-class beef cattle, ninety per cent of which, I think I am safe in saying, are graded. I may say in this connection that the Department of Agriculture issues a monthly statement showing the number of graded cattle produced in each province of the Dominion. I think I can safely say that the Province of Alberta produces more branded beef cattle than any other province; but under the system of tabulation adopted by the Government the province in which the beef is branded gets the credit for producing and finishing the cattle. Beef cannot be branded until the hide is taken off, and as cattle shipped from Alberta to Winnipeg are butchered and branded by the inspectors in Winnipeg, Manitoba gets the credit. I am very jealous of the reputation of my province. I think it should get the credit for what it has done. As I said before, there are at present in the Province of Alberta 13,000 high-class beef cattle, of which some are now ready for market, as all will be within a short time.

But at the present price of 3½ cents the producers are facing ruin.

There is another phase of the question to which I should like to draw your attention. One of the few benefits which the low price of wheat has brought to the Western farmer is that he has been forced to go more and more into diversified farming. There are today fewer cowless, sowless and henless farms on the Western plains than there were when wheat was selling at \$1.50 a bushel. While at present prices cattle hold out no more promise than does wheat, the fact remains that we can have no permanent and successful agriculture unless we have diversified farming, a system in which live stock plays the most important part.

What can be done to help the situation that exists to-day? One has only to walk down the streets of Ottawa, Montreal or Toronto, or any other city or town in Canada, and make a comparison between the prices charged the consumer for meat, as displayed in the shop windows, and the prices paid to the men who produce and finish it, to realize that some reorganization and control of our distribution system are urgently needed. Until something of this kind is done agriculture cannot be re-established.

At the present time the only market for our surplus cattle is Great Britain, and the price that comes back to the producer sets the price on our home market. While we have no control over the prices paid in the British markets, we could improve the price at home by lowering the cost of shipping our small surplus to Great Britain. A reduction of rail, stock-yard, and ocean rates on our cattle would tend to increase and stabilize the price to the producer on the home market. Considering that last year we exported only 17,000 head of cattle to Great Britain, and that our home market absorbs one and a half million head, everyone will appreciate that our home market is most important and that we must endeavour to protect it; but as the price secured for the small surplus exported fixes the price on our home market, the necessity of endeavouring to obtain a better price for that small surplus must be patent to everyone.

The cattle men have solved the problem of production. They are producing and finishing a high class of beef animal, which finds high favour in the Old Country, both as store and beef. Our need is markets. What the Government has done within the last few days, in providing a stabilization fund to take care of the difference in exchange, comes as a great relief to live stock men at a time when the cattle industry is in as bad shape as I have ever known it to be. It means that the value

of every cow in Canada is increased, and it adds materially to the security of the farmers. This measure, however, is only a palliative, and some constructive national marketing plan must be put into effect before agriculture can be re-established.

In my humble opinion a national live stock marketing board, with wide statutory powers, is absolutely necessary. At the present time our cattle are sold in the most haphazard way. Certain classes of export cattle are shipped to places where the trade demands other classes. That is to say, certain classes are in demand at certain seasons, or in certain markets, and there is no supervision of the distribution or selection. Some supervision of this phase of marketing is needed in order that the producer may get the benefit of the better price prevailing at a particular time. This is only one of the many functions which a live stock marketing board would perform.

It is my humble opinion that agriculture can be re-established and made prosperous by means of a national live stock policy, and that the prosperity of agriculture will be reflected in every other line of industry in Canada.

I am hopeful that by reference of this matter to the Standing Committee on Agriculture of this Chamber, there may be worked out some practical, sane plan which the Government of the day will see fit to put into operation.

Hon. J. J. DONNELLY: Honourable members, it must be apparent to every member of the Senate who has followed the remarks of the honourable senator from High River (Hon. Mr. Riley) that he has been speaking of a subject in which he takes a deep personal interest and of which he has a very wide personal knowledge. With most of his remarks I am fully in accord. He has very properly pointed out to you the important relation which the cattle industry of this country bears to other agricultural pursuits; and the comparative figures that he has given of the value of our cattle products and the value of the wheat grown in Canada will, I think, be news to many of you.

I take it that his remarks apply very largely to beef cattle. I come from a section of the country where, although there is some dairying, the majority of people specialize in the production of beef cattle. We have for some time been complaining that our cattle were not permitted to enter the British market on the same terms as Irish cattle, and I believe I voiced that complaint here last session. To-day, however, we are fortunately in a different position. At the Imperial Conference an agreement was entered into whereby our

cattle are permitted to enter the British market on the same terms as cattle from Ireland; furthermore, as a result of a duty imposed by Great Britain on Irish cattle, which corresponds to our cost of shipping overseas, we are to-day on terms of equality with the Irish people so far as sending cattle to Great Britain is concerned. That is a factor which, I think, will tend very considerably to improve the cattle situation in this country.

As has been mentioned by the honourable senator (Hon. Mr. Riley), the stabilization fund provided for in the budget brought down in the other House last week greatly improved the trade situation. The effect is that if you send cattle to Britain you will get \$4.60 for the British pound, which at the present rate of exchange would be worth around \$4.12; so actually one-eighth is added to the value of our export cattle. As the honourable senator has pointed out, when the value of export cattle is increased the value of cattle on our home markets is also increased, because the surplus is taken away. Therefore the value of the cattle on the home markets is very largely fixed by the value of cattle in the export market.

The honourable gentleman has suggested that we should have better shipping facilities. One of our principal difficulties at the present time is that of securing space. If you read carefully the Toronto market report for this week you will see that no export cattle were bought, the reason being that no space was available. I am not finding fault with the gentlemen who had cattle bought and who for business reasons had secured space in advance. But if you wanted to ship cattle to-day you would be unable to get space. Shipping at the present time is very cheap, and one of the remedies suggested is that the Department of Agriculture be authorized by the Government to buy two or more ships and fit them up for the cattle trade. My honourable friend who is a shipping man (Hon. Mr. Casgrain) shakes his head. He does not like any suggestion along that line. I am told, however, that a few years ago the live stock commission firm of H. P. Kennedy & Sons, of Toronto, did that very thing with satisfactory results.

The honourable senator (Hon. Mr. Riley) has pointed out that there is some dissatisfaction throughout the country with respect to the facilities for the marketing of cattle. I am aware that among those who produce cattle there is a great deal of discontent. Perhaps the Senate will bear with me while I give in some detail a description of the method of marketing cattle in this country.

Hon. Mr. DONNELLY.

We have a number of live stock markets—stock-yards, as they are called. I shall speak of the Toronto stock-yard, for it is the one with which I am familiar. The stock-yard in Toronto is owned by an incorporated company. In Montreal and Winnipeg the stock-yards are owned and operated, I think, by the railways. There has been a great deal of complaint about the charges for yardage, feed and such things. While the stock-yards are owned by the companies, they are operated by what are called live stock exchanges. These live stock exchanges are made up very largely of live stock commission men who deal in the different yards. Their operations are strictly regulated by an Act of Parliament passed about ten years ago. The charges and fees for selling, for yardage and for feed must all be approved by the Department of Agriculture, or by an inspector of that department. We hear many farmers say, "Why should we pay \$27 a ton for hay for our cattle at the Toronto market when loose hay is selling at home for \$3 or \$4 a ton?" They also say, "We pay to-day for the marketing of cattle on the Toronto market the same price that we paid during war-time, when cattle prices were high." This is true, and perhaps there is some justification for their complaint; but I am disposed to think that in some cases the complaints are not well founded.

The cattle are billed through to the live stock commission men. A drover, or any man who makes a business of dealing in cattle, is compelled by the Live Stock Act to place his cattle under the control of the commission men, and the cattle are sold under a fixed rate, which at the present time is \$17 per car-load, and if delivery is made by truck the rate is \$1 per head. There is an exception made for farmers who sell their own cattle, they being permitted to make sales on the market, but they have to pay for yardage and feed. Each commission firm is bonded to the extent of \$10,000; so the farmer or dealer who consigns cattle to these firms is absolutely protected. The commission men are compelled by the same Act to deposit the proceeds from the sale of cattle, or money that is sent to them for the purchase of cattle, in a trust fund in a chartered bank, and that money can be withdrawn only under certain conditions, such as for the payment for cattle and the settling of expenses necessarily incurred in the sales.

I have had some experience on the Toronto market, and I may say that the men engaged in the cattle business are very alert and keen business men, and they have a high sense

of honour. At times a deal involving thousands of dollars will be made in a few minutes, without any written agreement of sale; a man will simply nod, or hold up his hand, and that will settle the bargain. In thirty years I have never heard of a man defaulting or going back on a bargain that was so made. Of course, I am not saying that there is no room for improvement. It is just possible that charges could be reduced.

The conditions of marketing cattle have changed a good deal in the past ten or fifteen years. Fifteen years ago practically all cattle going to the Toronto market were consigned by car, and at that time it was not an unusual thing to find six or seven thousand head there on Monday morning. To-day two thousand cattle there are looked upon as a large market. The explanation is that certain dealers throughout the country, who have the confidence of the packers, send their products direct from the feeder to the packing-houses, to avoid expenses connected with marketing and feeding. An accurate count is kept of the kill-out, and the price is based on the price paid on the market for cattle of a similar quality.

The cattle producers of Ontario complain that there is practically no competition on the market to-day. Whereas ten or fifteen years ago there were the Davies Company, the Harris Abattoir, Gunns Limited, and the Canadian Packing Company, four sets of buyers who were bidding for cattle, there is to-day, as a result of amalgamation, only one set of buyers representing the four companies I have just named. True, there is the Swift Company, which is connected with the American firm of the same name, but, rightly or wrongly, the cattle men believe there is an understanding between the Swift Company and the other buyer. When there is a large run of cattle it is not an unusual thing to have no buyers on the market for a couple of hours. But I may say that an independent company has been operating for some time and is paying a very fair price for cattle of the kind that it desires. There are also some local butchers, and some buyers from outside, but it is felt that on the whole there is not sufficient competition.

I notice that the honourable senator from High River (Hon. Mr. Riley) referred to the large number of cattle produced in Western Canada. I may say that the Province of Ontario still produces some cattle, the volume passing through the Toronto market being greater than that which passes through any other market in Canada.

The honourable senator's motion is "that the Standing Committee on Agriculture and Forestry be authorized to consider and inquire

into the condition of export trade in cattle and the cattle industry generally." Speaking as the chairman of that committee, I am inclined to think that a useful purpose might be served by the committee in taking up this work. We may be able to suggest better facilities for exporting, and some means of lowering the cost of marketing; and the information obtained at the hearings might result in eliminating the misunderstandings which I believe exist between the producers and the packers. I am not one of those who think that the packers make exorbitant profits always. When there was a market for lumber I did a little lumbering, and I had occasion to purchase meat and meat products from packers. Knowing as I did at the time something about the value of live stock, I came to the conclusion that the packers worked on a very small margin of profit, and that the money they did make came from the volume of their turnover.

As I have said before, there is a great deal of unrest and general dissatisfaction with regard to the whole cattle industry. But possibly it is too late for the committee to deal fully with this question at the present session. In order that the whole subject should be gone into properly, the committee would need wide powers. It would be necessary to hear cattle dealers and producers, representatives of the live stock exchanges, and officials of the Department here, as well as those engaged in the transportation of live stock. Considerable time would be needed, and there would be some expense. However, if the motion is passed, I think I can say on behalf of all members of the committee that we shall be pleased to do the very best that can possibly be done in the matter during the short time at our disposal.

I may have something more to say on this at a later time, and, if there is no objection, I move the adjournment of the debate.

Hon. J. P. B. CASGRAIN: Honourable senators, I intend to make only a few remarks, and not a speech. I like the honourable senator from South Bruce (Hon. Mr. Donnelly) so well that I would not wish him to be a shareholder in any stock-yards. I was for ten years a director of the Montreal stock-yards, and I lost my money—not all of it, but a good share. The honourable gentleman referred to hay selling at so much a ton—

Hon. Mr. DONNELLY: I was only repeating complaints that we hear throughout the country.

Hon. Mr. CASGRAIN: There is a saying, "Don't believe all you hear, nor more than

half of what you see." Anyway, it is not merely the cost of the feed that the stock-yards have to take into consideration, but also the wages of the men who look after the cattle and the cost of shelter. Live stock that is exported is kept in the yards for a day or two before being put on the boats, and there are very strict government regulations regarding the condition in which the yards have to be kept. The Canadian Pacific Railway has been running stock-yards in Montreal for thirty or forty years, and I think it has always lost money on them. When I was in the business the Grand Trunk yards were being used, and we paid nothing for the lease of part of our land so long as we kept our stock-yards in operation. Yet even under that condition we could not make the business pay.

The Hon. the SPEAKER: The question is on the adjournment of the debate.

Hon. Mr. CASGRAIN: That is right, but I shall not be here when the debate is resumed. The honourable senator from South Bruce (Hon. Mr. Donnelly) will be able to reply to my remarks when he is speaking on the subject again.

My real object in getting up now is to compliment the honourable senator from High River (Hon. Mr. Riley). When a man knows a subject very well it is easy for him to speak about it, and this was proved by the speech of the senator from High River. Perhaps no other member of this House is so familiar with the cattle industry as he is, with the possible exception of the honourable senator from Calgary (Hon. Mr. Burns).

It was enlightening to hear about the extent of the cattle industry, and to learn that wheat is not the biggest thing in this country, after all. I have always contended that the railways did not make very much money out of carrying wheat, and that this product was not all-important, as many people seemed to believe. And now we are told that the value of the cattle produced in this country exceeds the value of our wheat crop.

Some Hon. SENATORS: Oh, no.

Hon. Mr. CASGRAIN: That is what I understood. If I am wrong—

Hon. Mr. DONNELLY: The honourable gentleman is quite right.

Hon. Mr. CASGRAIN: I think we are very much indebted to the honourable senator from High River for this information, which I must say was a revelation to me.

The honourable gentleman also spoke about the red brand that is placed on meat, to indi-

Hon. Mr. CASGRAIN.

cate that it is of the best quality. Now, I went through the Canadian Packing establishment in Montreal only last week, and I did not see a single quarter or carcass of beef bearing the red mark. It may be news to honourable members of this House that there is no first-class meat in the city of Montreal.

Hon. Mr. GILLIS: Is the honourable gentleman not out of order?

Hon. Mr. CASGRAIN: I am just finishing. As I say, it may be a revelation to most honourable members that first-class beef is not shipped to the big city of Montreal; that nothing better than second grade, that is, the grade which bears the blue mark, goes there. I suppose the first-class meat is exported to the Old Country.

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

PRIVATE BILL

FIRST READING

Bill Q, an Act respecting the Quebec, Montreal and Southern Railway Company.—Hon. Mr. Béique.

FEDERAL ELECTION COSTS

INQUIRY AND DISCUSSION

The Senate resumed from March 15 the debate on the question proposed by Hon. Mr. Foster:

To call the attention of the Senate to the abnormal cost, both to candidates and the country, of federal elections, and inquire if the leader of the Government would consider the question of the appointment of a select committee of this House to consider and report upon such action as would materially reduce the cost thereof.

Hon. C. W. ROBINSON: Honourable senators, I do not know whether it is agreeable to the right honourable leader of the House to have this debate proceeded with today.

Right Hon. Mr. MEIGHEN: It is all right.

Hon. Mr. ROBINSON: I have listened to or read with a good deal of interest all the speeches that have been made in this debate. As some honourable members have remarked, it may be questioned whether this House is the proper place for inquiring into the cost of elections, but perhaps after all it would be impossible to find a body that is better qualified than the Senate to make such an inquiry. Many honourable members of this Chamber have had a good deal of experience with election campaigns, and none of us expects to be a candidate again.

Right Hon. Mr. GRAHAM: I am not so sure of that.

Hon. Mr. ROBINSON: No doubt there is something wrong with the methods of conducting elections, not only in Canada, but also in most other countries that have democratic institutions. I remember very well a conversation that I had with a friend of mine who was persuaded to be a candidate in an election campaign a few years ago. He went through with the thing in a very creditable manner and received a fine vote, but he was perhaps more fortunate than some of the rest of us, in that he was not elected. Some time after the election I was speaking to him and asked him how he felt. He said: "This was my first experience as a candidate and it will be my last. I did not know what elections meant until I got into one. If the election laws were carried out, I should be in the penitentiary for the rest of my life." And I may say he never ran in another election. The right honourable leader of the House (Right Hon. Mr. Meighen) has referred to the stringency of our election laws, but we all know that many of the statutory provisions are altogether inoperative to-day.

In the course of the debate a number of valuable suggestions have been made for improving the methods of conducting elections and reducing the costs to the country and the candidates, but all these suggestions have been based on the assumption that we shall continue to use polling booths. Of course, polling booths have been in existence as long as there have been elections, and gradually there has been developed the system of registration and publication of voters' lists. We have in Canada to-day a very finely conceived election law, based upon the idea of the registration of electors and voting at polling booths. We know that it is impossible to make our system perfect, that the voters' lists will contain names of some people who are dead, that there will be unavoidable duplications, and that inevitably the names of a number of persons entitled to vote will be omitted from the lists.

Under our law polling booths are divided into two classes, rural and urban. In the rural constituencies a great advance has been made during recent years in the matter of registration. As all honourable members know, it is not necessary for a rural voter to have his name upon the list at all: if his name is omitted he can vote upon being certified to by, I think, two electors.

I am going to make a suggestion to-day which is somewhat revolutionary. It did not originate with me. Several years ago one of the most experienced parliamentarians in Canada, a man who had spent fifty years in

political life, suggested to me something which at the time I did not consider to be very practical, but the more I thought of it afterwards the more reasonable and practical it appeared to be. I make this revolutionary proposition with a good deal of trepidation. That reminds me of a friend of mine who, when making his first speech in the Legislature, said he rose with feelings of turpitude. This is my suggestion: scrap the polling booths, and do away with registration. Of course, if you scrap the polling booths you do not need registration. It has been stated during the course of this debate that the total cost for the last election was \$2,127,000 odd, of which \$1,113,000 odd represented the cost of registration.

I have obtained from the Chief Electoral Officer the figures which I am about to give the House. In the urban districts there were 10,482 polls, and in the rural districts, 17,732; or a total of 28,214. The deputy returning officers are paid \$7 and the polling clerks \$4 for their services. Under present conditions I think we might well reduce the deputy returning officers' fees to \$5, and make a corresponding reduction in the polling clerks' remuneration. Under the present scale the total cost for deputy returning officers and polling clerks is \$310,354. The rent of polling booths is \$10 in the city and \$5 in the country, the total cost being \$193,480.

Now, I think honourable members are all familiar with the fact that these polling booths are not satisfactory. They are set up in barber shops, in little rooms in private homes, and in all sorts of makeshift places. Very often the voter has a great deal of difficulty in finding his polling station. On the ground of expense it would be entirely out of the question to provide permanent polling booths throughout the Dominion. As we all know, the main trouble in elections arises around the polling booths, where the hubbub and excitement afford favourable opportunities for telegraphing or impersonation. The major portion of the candidate's election expenses is in connection with polling booths and the hiring of automobiles and of inside and outside checkers and agents. By doing away with polling booths we should eliminate all the incidental expense. On registration alone we could save one million dollars at least.

Honourable members will naturally ask how elections would be conducted in the absence of polling booths and registration. As an alternative I would suggest that we appoint three times as many deputy returning officers and polling clerks to take care of the 5,100,000 voters. There is an average of 180 voters for

a polling booth. If my suggestion were adopted there would be one deputy returning officer and one polling clerk to every 60 voters. I would have each deputy returning officer and polling clerk—accompanied by a representative of each candidate, if you like—take the vote house by house. In other words, give the home the status of the polling booth, and allow none to be present but these officials and the persons entitled to vote there. By this method voters could be registered as the voting proceeded.

I have not the slightest doubt that many honourable members will think it impossible to take the vote in this way, but I believe that on careful reflection they will realize it is practicable.

An Hon. SENATOR: Has it been tried out anywhere?

Hon. Mr. ROBINSON: I do not know that it has been. In the past we have copied other countries in framing our electoral law. For instance, we have copied Australia in reference to the ballot, and it has been suggested during the course of this debate that we go still further and adopt compulsory voting as now operative in that country. It has worked out fairly successfully in Australia, and if we are to retain our present election system I think it would be worth while to adopt compulsory voting. But compulsory voting adds largely to the cost of conducting elections, and to the work of the deputy returning officers.

I am confident that if my suggestion were worked out intelligently it would save the country a million dollars at least; it would also effect a substantial reduction in the candidates' expenses; and we should have one of the quietest and most Sunday-school-like elections imaginable. There would be these further advantages: a full vote; no opportunities for impersonation; an absolutely up-to-the-minute registration.

I submit there is a good deal of merit in this suggestion, and that it is workable. Let us take the initiative in election reform and not be content to copy some other country. In this connection may I quote these few phrases from a recently published book by President Roosevelt, for in my opinion they are very much to the point:

The country needs, and, unless I mistake its temper, the country demands, bold, persistent experimentation. It is common sense to take a method and try it; if it fails, admit it frankly and try another. But, above all, try something.

That is my suggestion, honourable members, and I think it well worth considering.

Hon. Mr. ROBINSON.

Hon. G. LYNCH-STAUNTON. The honourable senator who has just resumed his seat has taken the wind out of my sails. I was going to suggest the abolition of the voters' list. I am told they have no voters' list in the United States. I do not know whether they have any such list in France, but the other day I read that whether at home or abroad every Frenchman is allowed to vote. As illustrating this, it was stated that recently the French Government had sent a warship down to Barcelona, where a number of Frenchmen are employed, and had taken them outside the three-mile limit to enable them to vote in a general election that was then proceeding in France.

It must be borne in mind that our election expenses are not confined to the federal campaigns. For instance, in Ontario we have a provincial election once in every three or four years, and municipal elections every year. It costs hundreds of thousands of dollars to elect an army of mayors, controllers and aldermen. Indeed, the setting in motion of our governmental machine is enormously expensive, and I think this question of the cost of elections is very opportunely launched. With our plethora of governments—federal, provincial, municipal—we have to conduct more elections than any other country I know of except perhaps the United States.

Now, why should we compel people to vote? This is a free country. I do not see why I should be marched up to the polling booth to vote for somebody if I do not choose to do so. The opinion of half the electors is not worth having, anyway.

Some Hon. SENATORS: Hear, hear.

Right Hon. Mr. GRAHAM: Sometimes I think so.

Hon. Mr. LYNCH-STAUNTON: I am not suggesting that one class of voters is superior to another class, but at least half the people do not know there is a Parliament at Ottawa, and they do not care.

Hon. Mr. CASGRAIN: Is the honourable gentleman referring to Ontario?

Hon. Mr. LYNCH-STAUNTON: When women were given the franchise one of the newspapers in Ottawa sent around a reporter to inquire of the young women what they thought about the gift. He said that half of them asked him what the franchise was. He told them and put the question, "Do you want to vote?" They replied incredulously: "What are you doing? Are you trying to guy us?" They did not care a snap of the fingers whether they had a vote or not. Take 100,000 girls of

twenty-one years of age: I suppose their collective wisdom is a wonderful guidance to the Government of this country! What do they know, and what do they care, about national affairs? Why should you drive them to the poll to vote? I can never understand the reasoning of those who advocate compulsory voting, unless it be that with compulsory voting in effect they would not have to pay the cost of transporting voters to the poll.

It is considered quite proper to elect a man to Parliament for a five-year term, but highly improper to elect a mayor or alderman for a similar term. Why should we have municipal elections every year? Surely if you can trust a mayor or an alderman for one year you can trust him for five. By amending our municipal law and providing for elections only once every five years we should save millions of dollars to our municipalities.

To do away with the voters' list would do no harm in the rural districts, for there everybody knows everybody else, and there would be very little opportunity for impersonation or telegraphing. In the cities it might not be practicable to take this course; but surely it is not beyond the capacity of men of affairs to devise some practical way out of this election mess.

I cannot conceive why I should not be allowed to vote anywhere in the Dominion for a candidate for the House of Commons.

An Hon. SENATOR: Often?

Hon. Mr. LYNCH-STAUTON: No; I should be too tired to vote more than once. But if in Montreal why should I not be allowed to vote for one of the local candidates? If elected he is supposed to be a representative of the Dominion. Why compel an elector to vote in his own electoral division? And why should not a commercial traveller be allowed to vote in the town where he happens to be on election day? I may be told there would be impersonation. But there is impersonation now. And supposing there were impersonation, there would probably be as much impersonation by the supporters of one party as by those of the other party, and so the ultimate result would not be materially affected one way or the other. In any event we should have a greater number of votes polled at less expense.

I do not think there is anything so antediluvian as our present plan of herding the electorate to the polls. My honourable friend from Moncton (Hon. Mr. Robinson) said there were 5,000,000 voters in this country. I cannot understand how that can be so. Are half our people over twenty-one?

Right Hon. Mr. MEIGHEN: Yes; the reason being that people live longer after they attain twenty-one than they do before.

Hon. Mr. LYNCH-STAUTON: I do not agree with that at all. If I am eighteen and live to be sixty, I shall have lived longer than a person who is twenty-one and lives to be sixty.

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. LYNCH-STAUTON: So the people under twenty-one live longer than the people over twenty-one.

Right Hon. Mr. MEIGHEN: That is not the point.

Hon. C. E. TANNER: Honourable senators, this subject is becoming more interesting the longer it is discussed. I was very much struck by the suggestion of the honourable senator from Moncton (Hon. Mr. Robinson) that the polling booth should be abolished. My honourable friend who sits beside me—he is not in his seat just now—has presented to me what I think is a far more useful and economical suggestion: that we should abolish the House of Commons—

Some Hon. SENATORS: Hear, hear.

Hon. Mr. TANNER:—which is the root cause of all this election expense. I am sure that honourable senators will be in perfect agreement with me when I state that if the affairs of this country had been in the hands of the Senate during the last ten years there would not be so much financial difficulty as confronts us to-day.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. TANNER: However, honourable senators, we have a number of important matters to deal with this afternoon, judging by the Order Paper, and as the next general election is not likely to be held for two or three years, and we are thus afforded ample time to consider this matter further, I move the adjournment of the debate until next Tuesday.

The motion was agreed to.

INCOME WAR TAX BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 11, an Act to amend the Income War Tax Act.

He said: Honourable members, this is a taxation measure, and does not call for that detailed attention at the hands of this House that most Bills are entitled to receive. Nevertheless it is only right that a brief explanation

should be given so that all may understand just what changes it effects.

The first portion of the Bill deals with what are called personal corporations. As honourable members know, a personal corporation is a corporation owned by an individual, or by an individual along with his wife and family. There was a time when in computation for the purposes of income tax such corporations were not considered to exist. There grew up the device of incorporating a personal company to hold the assets and receive the revenues of individuals. As the revenues came to the company, and the individual drew no dividends, he escaped paying income tax upon those revenues. The effectiveness of that plan was brought to an end by the legislation of 1926, if I remember rightly; and now personal companies are incorporated mainly in order that the estate of an individual may not be subject to succession duties except in the province in which he resides. However, the plan has been further extended, and certain people have incorporated companies in Haiti, Hawaii, or some other country at a distance; and because of the wording of the clause respecting personal corporations there has arisen a doubt as to whether it applied to a company incorporated in another land. The purpose of this amendment in respect of personal corporations is to make it plain that there is no escape, even if the company be incorporated outside of Canada. There are two sources of doubt, and both are removed—one by section 2, and the other by section 3.

Section 4 merely provides for the filing of statements of personal corporations.

There is another important clause, which is intended to make impossible the device of issuing redeemable stock for the purpose of giving a profit to the shareholder at certain specified times by the redemption of the stock at a price above the issued price, and thus enabling him to escape the income tax simply because the added price in the redemption figure is in the form of a profit rather than income.

A further clause makes ministers, high commissioners and other servants of the Government of Canada who are resident outside of Canada liable for the income tax which would be payable by them if they lived in Canada.

There is also a very important clause providing that an assessment shall not render the assessor—that is, the Minister—a mere *functus officio*, and that he may subsequently re-assess, or make an assessment *de novo*, if he so desires.

Right Hon. Mr. MEIGHEN.

I do not think there is anything else that requires explanation. If there is, I am prepared to do the best I can.

Hon. Mr. CASGRAIN: The tax on redemption stock when issued against capitalized surplus—clause 9.

Right Hon. Mr. MEIGHEN: Oh, yes. The power to sell out, and thereby to distribute surplus without its becoming taxable in the hands of the distributee, is done away with. It was done away with once before, and for some years any surplus so distributed was taxable, but in 1929 companies were again permitted to sell to another company their assets, including their distributable surplus, and in that way to capitalize the distributable surplus and render it immune from taxation. It is the 1929 amendment which is in effect done away with by the clause which now appears in this measure.

Right Hon. Mr. GRAHAM: Is it possible under this measure for our representatives, say, in France, to be taxed by the French Government and by the Canadian Government on the same income?

Right Hon. Mr. MEIGHEN: Yes. I understand that our representatives in certain countries are taxed by those countries. The effect of this measure is, I think, to enable them to deduct the taxation paid in those countries from any taxation they pay here.

Hon. Mr. GRIESBACH: Do they not enjoy diplomatic immunity?

Right Hon. Mr. MEIGHEN: No.

Hon. Mr. GRIESBACH: There is diplomatic immunity in England.

Right Hon. Mr. MEIGHEN: There is no established practice of diplomatic immunity. In certain countries it is effective; in others it is not. I think honourable members will see that under this Bill a man does not escape taxation in Canada merely because he is appointed High Commissioner in England; but if he has to pay a tax in England he is enabled to deduct that tax from the tax assessed in this country. I understand that in the past our representatives have been immune from taxation in Canada, and that as they were also immune elsewhere, representing Canada was a tremendously remunerative business.

Hon. Mr. MacARTHUR: May I ask if the terms "personal corporations" and "family corporations" are synonymous?

Right Hon. Mr. MEIGHEN: No. I do not think the family corporation is dealt with here. A family corporation is one in which the stock is all owned by a certain limited number of stockholders. They are given certain rights in respect of assessment and taxation. This has to do solely with personal corporations.

Hon. Mr. MacARTHUR: I did not quite understand the explanation of the right honorable gentleman in regard to the revenue, profit or dividends that would go to a shareholder by the redemption of stock. Does it make any difference to the Income Tax Department whether it is called a dividend, a profit or an income? Is it not all in the same category, and taxable?

Right Hon. Mr. MEIGHEN: I shall explain again what I had in mind. Suppose a company is formed and this device is adopted. The purchaser is offered two hundred shares of stock, or any multiple of two hundred, at \$100 a share. One-half of these shares are redeemable each year at, we will say, \$105 each. He is gaining five per cent. If it were redeemable at \$110, as would be more likely, he would be getting ten per cent on one-half of his total purchase, and as this return is in the form of a profit on his investment, it is not taxable. So five per cent on the total investment, or ten per cent on half of it, really becomes non-taxable. There is therefore a considerable inducement to a purchaser to buy that class of stock, especially if he is comfortably well off. I know of that device having been adopted. It is a method of escaping taxation by converting income from the nature of dividends to the nature of profit.

Hon. Mr. GORDON: But as I understand it, heretofore when stock has been redeemed at a premium of that nature the premium has been taxed.

Hon. Mr. MacARTHUR: Yes.

Hon. Mr. GORDON: I know of a case in which stock was redeemed in 1931 at \$110, and in which the Income Tax Department claimed the \$10 was taxable. My idea is that this provision is already in force.

Right Hon. Mr. MEIGHEN: It may have been altered; but I know that that plan was adopted some years ago.

Hon. Mr. MacARTHUR: I may be rather dense, but I am not quite satisfied with the explanation that has been given. There are many bond issues which provide for redemption within a certain number of years at a certain price.

Right Hon. Mr. MEIGHEN: Bond issues?

Hon. Mr. MacARTHUR: It is the same thing. I am coming to the income tax return, which is the crux of the whole matter. If you have a \$2,000 bond redeemable at \$2,200 you will have a \$200 profit over par that is supposed to be taxable; but if you receive an additional number of shares instead of cash, of course you will not be taxed, because your enhanced value will be represented by shares. Where you get a return in cash I cannot see how you are going to evade the tax.

Right Hon. Mr. MEIGHEN: It may be that one cannot do so now. I shall read an explanation of section 9 which has been handed to me, and which deals with this very class of stock:

Section 9 of the Bill is designed to render liable to tax at a flat rate of four per cent redeemable stock issued as fully paid up by capitalizing accumulated earnings of companies as and when the stock is redeemed. A dividend payable out of accumulated earnings would be taxable, and in order that the incidence of the tax may be made to bear somewhat equally on those same earnings when paid out either by way of dividend or on the redemption of stock issued fully paid up, it is proposed to collect a tax of four per cent.

The necessity of this legislation arises through a series of technicalities, court interpretations and amendments to the Income War Tax Act, and may be shortly stated as follows:

In 1920 or thereabouts it was decided by the House of Lords that a company, though it had earned surplus on winding up, could distribute that earned surplus along with its other assets and the recipients would not be liable to Income Tax.

I do not see any use in proceeding further with the explanation of that. I have already made it clear.

Hon. Mr. GORDON: What I do not understand is the assumption that up to this time a premium on redeemable stock has not been taxable. I have knowledge of a case in which the Tax Department is now claiming that the premium on preferred stock, issued twelve years ago, and maturing in 1931, is taxable. If things are as I understand them to be, the Income Tax Department is wrong.

Right Hon. Mr. MEIGHEN: I shall read further. I see that Mr. Fraser Elliott, who gives me this memorandum, makes a further reference to this clause. It is:

Section 9 of the Bill is designed to impose a flat rate of four per cent to be paid by the company effecting the redemption at the time of redemption. This flat rate of four per cent has been ascertained, I am advised, as approximating the average rate of tax paid by all dividend recipients, both large and small,—

That is to say, it is the average of the big taxpayer and the small taxpayer.

—when the accumulated earnings are paid out from year to year over a series of years, and for that reason is thought fair and reasonable.

The imposition of such a tax has the further favourable feature that it keeps faith with those shareholders who received the earnings of companies by way of ordinary dividend in years prior to 1930 by making the new company distributing those same earnings as tax free in the hands of the shareholders pay a tax of four per cent, for it is to be remembered, whether the company as such, or the shareholders themselves, bear the tax, it all comes out of and is derived from one source—the earnings of the company.

Hon. Mr. CASGRAIN: We cannot amend this Bill. It is a money Bill.

Hon. Mr. McRAE: Would the right honourable gentleman give me a little light on the difference between a personal company and a private corporation? Just where is the line drawn?

Right Hon. Mr. MEIGHEN: I think I have here the exact definition of a personal company. I have given it rather roughly. Yes, the definition is in the Bill:

"Personal corporation" means a corporation or joint stock company, irrespective of when or where created, whether in Canada or elsewhere, and irrespective of where it carries on its business or where its assets are situate, controlled, directly or indirectly, by one individual who resides in Canada, or by one such individual and his wife or any member of his family, or by any combination of them or by any other person or corporation or any combination of them on his or their behalf, and whether through holding a majority of the stock of such corporation or in any other manner whatsoever, the gross revenue of which is to the extent of one-quarter or more derived from one or more of the following sources, namely:—

(i) From the ownership of or the trading or dealing in bonds, stocks or shares, debentures, mortgages, hypothecs, bills, notes or other similar property,

(ii) From the lending of money with or without security, or by way of rent, annuity, royalty, interest or dividend, or

(iii) From or by virtue of any right, title or interest in or to any estate or trust.

I observe that the definition would include vastly more within its compass than did the term "personal corporation" in the statutes of a few years ago. The company must be one that is "controlled, directly or indirectly, by one individual who resides in Canada, or by one such individual and his wife or any member of his family, or by any combination of them or by any other person or corporation or any combination of them on his or their behalf," and the gross revenue of which is to the extent of one-quarter or more derived from one of the sources named, that is to say, from investments. Now, I am not sure what a "private corporation" is. I suppose it is a corporation owned by an individual and engaged in commerce.

Right Hon. Mr. MEIGHEN.

Hon. Mr. McRAE: Or by several individuals.

Right Hon. Mr. MEIGHEN: Yes, or by several. And if it did not derive its revenue in the way and to the extent described here, it would not be called a "personal corporation" for income tax purposes.

Hon. Mr. McRAE: Does not the definition there mean that this is just another species of family corporation, but that a closed private corporation with, say, half a dozen shareholders, would not come under this Bill?

Right Hon. Mr. MEIGHEN: Yes, it would, if it were controlled by a man, or a man and his wife or any member of his family in any combination, or on his or their behalf, and if one-quarter or more of its earnings came from investments of the character referred to here.

Hon. Mr. McRAE: But if it were controlled by three or four individuals, then it would be what is called a closed private corporation?

Right Hon. Mr. MEIGHEN: If it were controlled by a man, or a man and his wife or any member of his family—

Hon. Mr. McRAE: No; I am speaking of a corporation that is controlled by a few individuals who are not related at all; in other words, there would be no family control whatsoever. Would such a corporation come within this amendment?

Right Hon. Mr. MEIGHEN: No.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

Right Hon. Mr. GRAHAM: Honourable senators, immediately after the second reading of this Bill we passed the third reading, and we did so not because we are pressed for time, but simply as a result of the habit into which we have fallen of paying no attention to our rules. When quick action is necessary, I am strongly in favour of making the rules subservient to the Senate rather than the Senate subservient to the rules, but it strikes me that when we are not in a hurry a Bill of this kind would be dealt with in a more orderly manner if it were referred to Committee of the Whole, where it could be discussed freely and every member could properly speak as often as he liked. Instead

of chatting back and forth about a Bill while the Speaker is in the Chair, it would be more dignified to go into Committee of the Whole before the third reading.

Hon. Mr. CASGRAIN: Hear, hear. Perfectly right.

EXCHEQUER COURT BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 44, an Act to amend the Exchequer Court Act (Exclusive jurisdiction).

He said: Honourable senators, this Bill, like Bill 40, which we have placed down for second reading on Tuesday next, is consequential upon the Statute of Westminster. It adds to the jurisdiction of the Exchequer Court of Canada powers in relation to habeas corpus ad subjiciendum, certiorari, mandamus, and other processes as applied to certain persons and entities over which, by virtue of that Statute, we now have jurisdiction. The Bill specifies very clearly to what this added jurisdiction applies, namely:

Every application for a writ of habeas corpus ad subjiciendum or a writ of certiorari or a writ of prohibition, or a writ of mandamus, in relation to any officer or man of any Canadian Naval, Military or Air Forces serving outside of Canada, or in relation to any proceedings, or to any act or omission respecting any such officer or man, to the same extent as and under similar circumstances in which jurisdiction now exists in the Exchequer Court of Canada or in the courts or judges of the several provinces in respect of similar matters within Canada.

Right Hon. Mr. GRAHAM: I have no objection to the passing of the motion for second reading, but after that the Bill ought to be sent to Committee of the Whole House.

Right Hon. Mr. MEIGHEN: All right.

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

CONSIDERED IN COMMITTEE

On motion of Right Hon. Mr. Meighen, the Senate went into Committee on the Bill.

Hon. Mr. Beaubien in the Chair.

On section 1—exclusive original jurisdiction:

Hon. Mr. GRIESBACH: Honourable senators, not having been aware that this Bill was coming up to-day, I have not studied it, but I notice that it refers to officers or men of any Canadian naval, military or air forces serving outside of Canada. How can the Exchequer Court have jurisdiction over a man who is outside of Canada?

Right Hon. Mr. MEIGHEN: The giving of that jurisdiction is the very essence of the Bill. Great Britain, as a sovereign State, had jurisdiction in respect of her citizens not only within her own borders and the three-mile limit, but extraterritorially. The British North America Act vested in Canada intraterritorial jurisdiction, which is exercised either by the Dominion Parliament in respect of the subjects assigned thereto, or by the several legislatures in respect of other subjects. That is, we had jurisdiction within our borders and the three-mile limit, but we did not have extraterritorial jurisdiction. I am not arguing that it is very vital that we should or should not have extraterritorial jurisdiction, but the fact is that by virtue of the Statute of Westminster such jurisdiction, which was long sought by many, is now ours; therefore it is essential that the powers of the courts be added to in this regard. The Bill before us gives the Exchequer Court jurisdiction to deal with applications for writs of habeas corpus ad subjiciendum, certiorari or mandamus, as applicable to officers and men of the Canadian naval, military or air forces serving outside of Canada. At the present time, if any such application were made, the court would not have jurisdiction to deal with it. Well, no other court in the world has such jurisdiction, and if any court should have such jurisdiction it ought to be a Canadian court.

Hon. Mr. GRIESBACH: I take it that the practical application of this section would be that if an officer or man serving outside of Canada were brought before a military court, a writ of habeas corpus might be presented from our Exchequer Court requiring the person charged to be taken out of the jurisdiction of the military court and brought back to Canada for the adjudication of his case.

Right Hon. Mr. MEIGHEN: That might be so.

Hon. Mr. GRIESBACH: The objection was raised in Great Britain that an amendment to the British Act would deny to the home forces, and to visiting military forces as well, I understand, the right of habeas corpus in England.

Section 1 was agreed to.

On section 2—writ to be directed to Minister of National Defence; duty of Minister:

Right Hon. Mr. GRAHAM: My attention has been called to a printer's error in the spelling of the word "appropriate" in the third line from the bottom of this section.

The CHAIRMAN: Is it necessary to have an amendment to cover that?

Right Hon. Mr. MEIGHEN: No.

Section 2 was agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

APPROPRIATION BILL No. 2

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 52, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1933.

Right Hon. Mr. GRAHAM: Is this to meet the supplementaries for the expiring year?

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

The Hon. the SPEAKER: It is moved by Right Hon. Mr. Meighen, seconded by Hon. Mr. Ballantyne, that the said Bill be referred to Committee of the Whole.

Right Hon. Mr. GRAHAM: I have not asked that it be referred to Committee of the Whole.

THIRD READING

The Hon. the SPEAKER: With the leave of the Senate, it is moved by Right Hon. Mr. Meighen, seconded by Hon. Mr. Ballantyne, that this Bill be read the third time.

Right Hon. Mr. GRAHAM: If it is necessary to have the Bill read the third time now, I have no objection; for, this being a supply Bill, we shall not change it. But I would urge that we become a little more orderly in our method of doing business. We were getting so mixed up that I was afraid His Honour the Speaker sometimes did not know which Bill was being dealt with.

Hon. Mr. GORDON: I agree with my right honourable friend (Right Hon. Mr. Graham). Looking at Bill 11, I find I took some of the right honourable leader's time in asking him a couple of questions, which would not have been necessary had I had an opportunity of reading the Bill. So if the House would proceed a little more slowly we might in the long run make better progress.

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

Right Hon. Mr. GRAHAM.

DOMINION NOTES BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 54, an Act to amend the Dominion Notes Act.

Hon. J. J. HUGHES: I understand that under the law the Government is required to hold twenty-five per cent in gold for the first \$50,000,000 note issue, or \$12,500,000, and that for every further note issue there must be a full gold reserve, or dollar for dollar. In another place it was stated that there was a \$68,000,000 note issue behind which there was no gold at all. I have been told that that statement is hardly correct. I have not had time to verify my information, but would not such a statement, if it is incorrect, injure the financial position of this country? I have also been told that for every dollar of note issue the Government now holds forty per cent gold. Perhaps the right honourable leader of the House will be able to give us the necessary information.

Right Hon. Mr. MEIGHEN: I am not the Minister of Finance, but I think I can speak authoritatively in so far as I may venture to answer the honourable senator (Hon. Mr. Hughes). He is correct in stating that twenty-five per cent is required to be held in gold against the currency issue of \$50,000,000. The reason for this low reserve is that it is estimated that \$50,000,000 is about the amount of money that ordinarily would be in circulation for hand-to-hand trade transactions.

Hon. Mr. HUGHES: All the time?

Right Hon. Mr. MEIGHEN: Ordinarily; and consequently it would not likely be presented for redemption in gold. But for any further issue of currency the gold reserve requirements are dollar for dollar. This is subject to one modification: our law provides that in certain periods of the year, for the purpose of financing the rapid exit of our grain, a further issue of currency may be made against certain securities, for the most part Dominion bonds. That temporary enlargement of the note issue is quickly removed from circulation after it has served its purpose. I do not hesitate to say, even without any specific inquiry, that as so defined the law is wholly complied with.

The honourable member says he has heard that our gold reserve is about forty per cent. That is the general understanding. The gold reserve requirements of the nations of the world vary, but usually a gold-standard nation maintains a reserve of about forty per cent. We have issues of currency beyond

the \$50,000,000 already mentioned. The average applicable to all our note issues runs about forty per cent, too. When I last made inquiry our gold reserve was substantially above the legal requirements. All this Bill does is to amend the present law by enabling the Governor in Council to suspend the obligation of actual gold redemption of Dominion notes, if he should be so advised.

Hon. Mr. CASGRAIN: Has it not been that way for some years? A bank will not give you any gold.

Right Hon. Mr. MEIGHEN: I should not like to say it would not do so.

Hon. Mr. CASGRAIN: I have tried it repeatedly.

Right Hon. Mr. MEIGHEN: It may be it was thought the honourable senator would be better without the gold.

Right Hon. Mr. GRAHAM: I suppose this Bill refers to Dominion notes.

Right Hon. Mr. MEIGHEN: Yes.

Right Hon. Mr. GRAHAM: I have always been a doubting Thomas about Canada being on the gold standard. I would go further and say that even the United States is not really on the gold standard, if that standard means what we always thought it did mean. The United States has silver certificates, redeemable in silver. However, it is contended that the Government is behind all currency issues, and that consequently the country is on what is equivalent to the gold standard.

In these days, when so much attention is being paid to monetization, and when inflation and other monetary remedies are suggested, we ought to be very careful in what we give out to the country and to the world in reference to our financial status. I do not mean that we should hide anything, but we should not be rash in our statements concerning the financial condition of the country.

Now, should we go so far as is provided in this Bill, and put into the hands of the Governor in Council—the Government for the time being—the power to abrogate from time to time subsection 3? This subsection provides:

Dominion notes shall be redeemable in gold on presentation at branch offices established, or at banks with which arrangements are made for the redemption thereof as hereinafter provided.

It is proposed to amend this subsection by adding the following words:

The Governor in Council may from time to time, and for such period or periods as he may deem desirable, suspend the operation of this subsection.

In other words, the Governor in Council is given power to reduce by Order in Council the amount of security behind Dominion notes. President Roosevelt got authority from Congress to take very urgent steps in regard to the banks of the United States. Under that authority he closed many of them temporarily, and I imagine not a few will never be reopened. If I am right in my interpretation, we are giving the Governor in Council a very wide power, to suspend for the time being the requirement as to gold reserve behind Dominion notes.

Right Hon. Mr. MEIGHEN: No; I do not think that is the exact interpretation. The present requirement for the reserve of gold behind our note issues is as outlined by the honourable senator from King's (Hon. Mr. Hughes). The law also provides:

Dominion notes shall be redeemable in gold on presentation at branch offices established, or at banks with which arrangements are made for the redemption thereof.

Those are two statements of the law. It is not the first that may be repealed by Order in Council, but the second. That is, we must still maintain the statutory gold reserve, but we can declare by Order in Council that for a certain time Dominion notes shall not be redeemable in gold. This action would be taken, I presume, when the necessity arose of preserving our gold supply. Consequently this is a sort of companion measure to the Act previously passed prohibiting the exportation of gold from Canada. They are measures for the conservation of gold as against its possible flight. I think I am safe in saying that no crisis of any kind is apprehended, but honourable members will recall that on September 21, 1931, the Government of Great Britain took such action in relation to the British pound. No doubt it was empowered by statute to do so. A similar power is being asked for by this Bill.

I do not want it to be intimated that I do not share the questionings of the right honourable senator from Eganville (Right Hon. Mr. Graham) as to the rigidity with which either Canada or the United States is upon the gold standard. As a matter of fact, this requirement of a certain gold backing for currency seems to me not to run in very good company as long as banks are enabled, as they have always been and are now, to have any aggregate of deposits without any special reserves of currency to answer those deposits. The law says that you can issue only so much currency as against your gold base, but it fails to say that after the currency is issued the banks can give only so much credit on

the basis of that currency. As every one knows, the banks of Great Britain are fairly well under operative control, systematized and thoroughly organized and developed through the centuries, and they take care to maintain never less than from ten to fifteen per cent of currency—at the present time I think it is very much higher—in relation to their aggregate deposits. In the United States the currency held by the banks at no time reached ten per cent, and undoubtedly in 1928 it was not even five per cent of their deposits. But the point I am making is this: it does not seem very logical to say, "You can issue only so much currency as against your gold base," and yet fail to say, "You can issue only so much credit as against the currency." If the restriction is needed in the lower storey of our credit structure, surely it is still more needed in the higher storey.

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

CONSIDERED IN COMMITTEE

On motion of Right Hon. Mr. Meighen, the Senate went into Committee on the Bill.

Hon. Mr. Beaubien in the Chair.

On section 1—redemption in gold; power to suspend operation:

Right Hon. Mr. GRAHAM: Honourable senators, I still maintain that we ought to be very careful as to how the public may be impressed with this legislation. Dominion notes are supposed to be redeemable in gold. For all practical purposes, what good is the gold reserve to the man in the street if he cannot get his currency redeemed in gold? This Bill empowers the Governor in Council to pass an Order in Council instructing the banks not to honour the obligation to redeem Dominion notes in gold. It is a pretty wide power to give to the Governor in Council. Perhaps it is essential, but I think it should be presented to the public in such a way that it will not tend to cause any fear. In my opinion there is nothing that causes distrust and lack of confidence more quickly than the giving of an order on a bank which the bank cannot honour. If a man has a deposit in a bank and he cannot get his money, he is very much perturbed. What would be the effect on an ordinary man or woman who has always been given to understand that a Dominion note of \$1 or \$2 must be redeemed in gold, if he or she were told that under the terms of an Order in Council the bank did not have to pay gold?

Right Hon. Mr. MEIGHEN.

Hon. Mr. BLACK: While we may not have had any order of the Government, or of the Governor in Council, to this effect, is it not a fact that for eighteen months past the banks have not been paying gold for currency? This measure simply authorizes a practice that exists, even though it may have been established without authority.

Hon. Mr. BALLANTYNE: The Receiver General is compelled to pay in gold.

Hon. Mr. BLACK: I know beyond contradiction that for eighteen months the ordinary citizen of Canada has been unable to get gold for cheques or currency. I myself have been refused gold. On one such occasion I said, "There is no law to this effect, and if you cannot show me any authority I will try every means to get gold," and I got \$100. I knew there was no authority for refusing it. But every citizen of Canada knows that for a year and a half the banks have been refusing to pay out gold. What difference does it make to give some legal authority to the banks to do what they have been doing for eighteen months?

Right Hon. Mr. GRAHAM: This has to be borne in mind. Bank bills are quite different from bills bearing the stamp of authority of the Dominion of Canada. I can quite well realize the position of the banks, never having a full supply of gold, in thinking it the part of wisdom not to be too generous with what they have. But what I have in mind is the fact that the Dominion of Canada has given a note payable in gold, and that we are asked to give the Governor in Council authority to say that even a Dominion note does not have to be redeemed. Is that not dangerous?

Right Hon. Mr. MEIGHEN: The Imperial Parliament suspended the gold standard directly by the following words, which appear in the Gold Standard Amendment Act, 1931:

Unless and until His Majesty by proclamation otherwise directs, subsection 2 of section 1 of the Gold Standard Act, 1925, shall cease to have effect.

The happy fact is that there was no panic in Great Britain, and there certainly was no intensification of the depression. As time elapsed Britain ascended high in the realm of financial success and now she is sitting almost on top of the world.

This clause merely brings the statute into conformity with reality. Once a nation prevents the export of gold there is mighty little purpose in demanding redemption in gold.

What good would gold be to you if you could not use it to pay your debts? The only purpose of this measure is to prevent frivolous applications to the Receiver General for gold. The gold would not be of any use.

Hon. Mr. GORDON: I do not think the ordinary citizen to-day is thinking much about gold so long as he can get currency. It is just as good as gold, and is more convenient to carry. I imagine the object of this measure is to retain as much gold as possible in the treasury, because the Government has already intimated that it is going to endeavour to meet in gold all obligations payable in other countries. If the people of this country were to decide all at once that they preferred gold to legals or good, sound bank notes, and if they had the power of withdrawing gold upon presentation of legals, it might mean that the Government would be short of gold to meet its foreign payments. I think this legislation is wise and well conceived, and in accordance with what virtually all the people of Canada want, or what they have been getting ever since Canada has been Canada. No person has been using gold. Even with this legislation on the Statute Book, manufacturers will still be entitled to get as much gold as they require for use in their business. That is all that is necessary.

Hon. Mr. McRAE: I was interested in the paragraph read by the right honourable gentleman in relation to the situation in Great Britain. That is a very clear and precise statement of fact. Britain went off the gold standard. It occurred to me that a similar clause here would answer very well. We are off the gold standard, as has been stated on many occasions, and I should have thought a similar paragraph would describe the situation very clearly and remove the camouflage.

Right Hon. Mr. GRAHAM: There are two things that strike me. Great Britain deliberately, openly and statutorily went off the gold standard. If that is what we are doing—and I am not going to say it is wrong—I think we ought to make it quite clear that if we were on the gold standard previously we shall be no longer after this Bill becomes law.

Hon. Mr. SHARPE: We have not been since 1929.

Right Hon. Mr. GRAHAM: That is my contention. But if our purpose is to protect our gold by getting off the gold standard, let us do it. The honourable member from Nipissing (Hon. Mr. Gordon) thinks it is

the duty of the Government to protect its bonds in the United States rather than its notes in Canada.

Hon. Mr. GORDON: No.

Right Hon. Mr. GRAHAM: The man in the United States must have gold or its equivalent. We are going to take away the gold behind our Dominion notes in order to give it to a creditor in another land. That may be essential, but we should be sure of what effect it will have on the people.

Hon. Mr. GORDON: No effect.

Hon. Mr. HUGHES: I suppose it is out of order to refer to a debate in another Chamber. If it is, I do not wish to offend.

Right Hon. Mr. GRAHAM: It is not good practice.

Hon. Mr. SHARPE: Out of order!

Hon. Mr. HUGHES: It would not be a serious matter, and in my opinion it would elucidate.

The CHAIRMAN: Shall section 1 carry?

Some Hon. SENATORS: Carried.

Section 1 was agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

RELIEF BILL

SECOND READING POSTPONED

On the Order:

Second reading Bill 55, an Act respecting Relief Measures.—Right Hon. Mr. Meighen.

Right Hon. Mr. GRAHAM: Do you not think, honourable senators, that we should allow this Bill to stand? It probably merits some discussion on the second reading.

Right Hon. Mr. MEIGHEN: Let it stand until to-morrow.

The Order stands.

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

THE SENATE

Thursday, March 30, 1933.

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

Prayers and routine proceedings.

FREE ENTRY OF PALESTINE ORANGES

PROTEST FROM JAMAICA

Before the Orders of the Day:

Hon. H. J. LOGAN: Honourable senators, I have received the following telegram from Jamaica:

Kingston, Jamaica, March 29, 1933.

Senator Hance Logan,
Parliament Buildings,
Ottawa, Ontario.

Jamaica citrus industry knowing your early pioneering work behalf Canada West Indies trade appeal your help to obtain rescindment budget proposal grant free entry Palestine oranges. If foreign country given same advantages Jamaica will have no orange market best months season and reciprocal trade between Canada Jamaica bound to suffer. Canadian National ships will lose large revenue which in few years doubtless be sufficient offset their present revenue deficiency. Jamaica will appreciate your efforts their behalf.

Citrus Producers' Association.

I am very well acquainted with the people who comprise the citrus producers' organization, having been associated with them in Jamaica for some time, when we were trying to work up the West Indies trade agreement, and it does seem to me that the budget proposal referred to will place them at a disadvantage. The Imperial Conference at Ottawa established the principle of promoting trade within the Empire, but now it is proposed to give special treatment to a country which is not part of the Empire and whose people are not British subjects. I would call the attention of the right honourable leader of the House (Right Hon. Mr. Meighen) to this telegram, and, through him, ask that the Government give due consideration to the request of these people in Jamaica. They are in a bad position now, and they will be in a still worse position if the budget proposal referred to becomes effective.

Right Hon. Mr. MEIGHEN: I will see that the contents of the telegram are brought to the attention of the Minister of Finance. It is true that Palestine is not a British dominion or colony, but it is a mandated territory for which Britain has very large responsibilities.

Right Hon. Mr. MEIGHEN.

DIVORCE BILLS

THIRD READINGS

On motion of Hon. Mr. McMeans, Chairman of the Committee on Divorce, the following Bills were read the third time, and passed:

Bill K, an Act for the relief of Auguste Burdayron.

Bill L, an Act for the relief of Nora Tulloch Carr.

Bill M, an Act for the relief of Alberta Grace Wood.

Bill N, an Act for the relief of Hilda Nice Allen.

Bill O, an Act for the relief of Mary Louise Robinson Reid.

Bill P, an Act for the relief of Elizabeth Bernstein Schmerling.

PRIVATE BILL

THIRD READING

Bill 23, an Act respecting the Saint Nicholas Mutual Benefit Association and to change its name to "Ukrainian Mutual Benefit Association of Saint Nicholas of Canada."—Hon. Mr. Griesbach.

RELIEF BILL

SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill 55, an Act respecting Relief Measures.

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

CONSIDERED IN COMMITTEE

Right Hon. Mr. MEIGHEN: This is an important measure, and in deference to the right honourable senator from Eganville (Right Hon. Mr. Graham) I move that the Senate go into Committee thereon.

The motion was agreed to, and the Senate went into Committee on the Bill.

Hon. Mr. Copp in the Chair.

On section 1—short title:

Right Hon. Mr. GRAHAM: May we have an explanation of this Bill? I suppose it is really a re-enactment of the previous Bill, with some few changes?

Right Hon. Mr. MEIGHEN: Yes. The Bill of the preceding year, after reciting the depression and its very slow lifting, authorized the Government, upon such terms and conditions as could be agreed upon, to enter into agreements with the provinces respecting relief measures, to grant them financial assistance

by way of loan, advance, guarantee or otherwise, and also to loan or advance money to or guarantee the payment of money by any public body, corporation or undertaking. The Bill also authorized the Government to take all measures which in the discretion of the Governor in Council might be deemed necessary or advisable to protect and maintain the credit and financial position of the Dominion or any province thereof. Those, very briefly, are its important features. This Bill does precisely the same except that instead of the last clause that I read there is substituted the following:

When Parliament is not in session, to take all such measures as in his discretion may be deemed necessary or advisable to maintain, within the competence of Parliament, peace, order and good government throughout Canada; and at all times to take all such measures as in his discretion may be deemed necessary or advisable to protect and maintain the credit and financial position of the Dominion or any Province thereof.

It will be seen that the important difference is the added power now proposed to be given to maintain peace, order and good government within the competence of Parliament.

There are minor differences. For example, last year the Bill provided that special relief measures might be undertaken in the national parks of Canada and in the drought stricken areas of Saskatchewan. In this Bill the language is more general; the relief is made applicable to "the national parks of Canada and elsewhere."

This clause is added to the main clause empowering the Government to deal with the provinces:

And in respect of such loans, advances and guarantees, may accept such security, enter into such agreements and generally do all such things as the Governor in Council may deem necessary and expedient in the public interest.

This enables the Government to take security for advances.

The other clauses are the same as last year, except that the total amount expendable for direct relief under the Act this year is limited to \$20,000,000.

Right Hon. Mr. GRAHAM: Could my right honourable friend tell us approximately how much has been expended by the Federal Government?

Right Hon. Mr. MEIGHEN: Yes. I have an immense amount of data here.

Under the provisions of the 1930 Act the Dominion Government to January 31, 1933, contributed to public works the sum of \$14,396,976.81; to direct relief, \$3,547,135.08; to cost of administration, \$43,061.97. The total contributions under the Act by the

Dominion Government amount to \$17,987,173.86. This expenditure resulted in the carrying out of public works to the extent of approximately \$69,000,000, including the contributions of the provinces and municipalities. Direct relief expenditures by the Dominion, the provinces and the municipalities, totalled \$11,000,000. Relief works carried out under the provisions of the Act afforded work to 337,633 persons, the number of man-day's employment thus afforded being 7,481,449.

Under the 1931 legislation the Dominion agreed to provide, and did provide, the sum of \$34,008,878.29, to be applied towards the carrying out of work by the provinces, municipalities, and federal departments. The total cost of this work to all parties responsible was approximately \$81,000,000. When the Act expired on May 1, many works which had been undertaken, and many commitments which had been made with the provinces, had not been completed. In the opinion of the provinces the completion of these works was very desirable, and an extension of time became necessary for this purpose. The gross cost of the works under the extension was approximately \$14,778,000. The expenditure of the Dominion Government for direct relief under the 1931 Act amounts to \$11,668,783.79. This includes a contribution of \$5,288,085 to the Saskatchewan Relief Commission. The expenditure for public works under the 1931 Act gave employment to 583,492 people, and the total amount of wages paid was \$39,532,328.42. This afforded a total of 13,274,436 man-days' work.

Hon. Mr. GRIESBACH: Are the figures of 1931 exactly comparable to the figures of 1930, as given?

Right Hon. Mr. MEIGHEN: They are fairly comparable.

After a survey of employment conditions in the Canadian National Railway shops it was decided to maintain operations in order to permit of intermittent employment being given to as large a number of employees as possible. In the month of September, 1931, the Canadian Pacific Railway Company was compelled to shut down its shops. Many applications were made to the Government for assistance on behalf of the men thus thrown out of employment. Arrangements were made with the company to open its shops on the 17th day of November, 1931, and to keep them open until the 31st day of December of the same year. The Government loaned to the company \$1,447,222.71 to enable the wages of such employees to be paid. The total number of

railway shop employees thus provided with employment was 8,455.

Now I come to 1932. Such an immense amount of material has been furnished me that I hardly know how to condense it. Perhaps the most interesting way in which it can be presented is by provinces.

Let me deal first with the cost of the arrangements made with the provinces with respect to the settlement on farms of selected families—families with previous farm experience, and receiving direct relief. It will be recalled that a policy was adopted of co-operating with the provinces with a view to selecting families that would be capable of

earning their own way on the land. The amount which it was estimated would be required to support them on direct relief was advanced to them to assist them in establishing themselves on farms. This amount, set at a maximum of \$600, was to be contributed to equally by the Dominion, the province, and the municipality from which the family was taken. Not more than \$500 was to be paid the first year, \$100 being reserved for the second year in case aid towards subsistence should become necessary. Under these arrangements the following commitments were made:

Province	Total Expenditure	Dominion Proportion	Number of Families
Nova Scotia	\$ 385,695	\$ 128,565	642
New Brunswick	342,840	114,280	571
Quebec	642,855	214,285	1,071
Ontario	642,855	214,285	1,071
Manitoba	514,260	171,420	857
Saskatchewan	600,000	200,000	1,000
Alberta	514,260	171,420	857
British Columbia	514,260	171,420	857
	\$4,157,025	\$1,385,675	6,926

I will now try to summarize the activities of 1932, commencing with the 1st of May of that year.

Prince Edward Island: The Dominion contribution amounted to \$5,328.24, being 50 per cent of a total labour cost of \$10,656.49. This, with the direct relief disbursement, makes a total disbursement to date of \$14,630.10.

Accounts do not reach the Department of Labour until several months after the actual expenditures have been made by the province or the municipality. The amounts paid are given here by months as well, but I will not read these.

Nova Scotia: Under the heading of "Reparation of miners to their native homes" there was a total expenditure of \$19,893.53, of which the Dominion proportion was \$7,957.41. On provincial highway construction the total expenditure approved was \$80,000, of which the Dominion proportion was \$32,000. On the Trans-Canada Highway construction the total expenditure approved was \$133,647.90, and the Dominion proportion was \$66,823.96. The payment of excess cost of Nova Scotia coal delivered to Toronto was \$6,087.22, the Dominion proportion being \$3,043.61. The disbursements made by the Dominion in respect of these projects to date are \$77,282.54, and for direct relief the Dominion has paid \$213,628.25; the total disbursements by the Dominion being \$290,910.79.

Right Hon. Mr. MEIGHEN.

New Brunswick: The disbursements for the Federal proportion of direct relief total \$38,434.06.

Quebec: Disbursements to date in the matter of direct relief amount to \$1,389,368.33.

Ontario: Total disbursements in regard to the Dominion's share of direct relief in this province to date amount to \$2,633,427.18.

Manitoba: Accounts have been received and paid for relief settlement and other projects amounting to \$87,694.93. In addition to this relief the Dominion advanced to the province against its treasury bills loans to a total of \$10,910,629.45. The credits or repayments total \$2,814,481.01.

Hon. Mr. FORKE: I understood the total advances were about \$8,000,000.

Right Hon. Mr. MEIGHEN: The balance outstanding is \$8,096,148.44. I imagine that is what the honourable gentleman refers to. The various purposes for which the money was advanced are set out in the document I have here, and I will state them if any honourable member desires. In the Province of Manitoba up to December 31 a bonus of \$1,169,025.47 was paid on 23,380,509 bushels of wheat. The disbursements in regard to the Dominion's share of direct relief in Manitoba, up to February 24, were \$911,056.18.

Saskatchewan: In this province the figures were much lower than for the year before. I think that perhaps Saskatchewan had the

most creditable organization of any province, in view of the gigantic task which that organization accomplished in 1931, and the efficiency of its work is reflected in the 1932 figures. The disbursements in connection with relief settlement and other projects to date amount to \$19,096.71, and the expenditure for direct relief was \$136,602.99. The total number of persons receiving assistance through the province increased from 17,936 in May to 42,134 in the following January. The number of those receiving assistance through the Relief Commission decreased from 140,233 in May to 20,182 in September. By last January the number had risen to 68,510. The loans or advances to Saskatchewan total \$29,811,293.23, against which there are credits or repayments of \$9,907,371.57, leaving a net balance outstanding of \$19,903,921.66. The wheat bonus was \$5,669,919.78, in respect of 113,398,395 bushels of wheat.

Alberta: The total disbursements to date in respect of the Federal Government's contribution to direct relief and other projects are \$521,029.67. The loans or advances to Alberta amount to \$8,132,000, and there have been credits or repayments of \$1,953,954, leaving a balance outstanding of \$6,178,045.83. The wheat bonus that was paid up to the 31st of December amounted to \$5,857,735.42, in respect of 117,154,708 bushels. The Provincial Government has furnished an estimate of the numbers of persons who received relief during the nine months from May to January, and I ask permission to place this statement on Hansard:

May—9,381 heads of families with 32,102 dependents and 4,694 individuals, or a total of 46,777 persons were given relief at an approximate cost of \$145,240.

June—9,811 heads of families with 33,471 dependents and 3,667 individuals, or a total of 46,949 persons were given relief at an approximate cost of \$132,888.

July—10,460 heads of families with 34,431 dependents and 3,096 individuals, or a total of 47,987 persons were given relief at an approximate cost of \$193,225.

August—10,603 heads of families with 35,071 dependents and 1,432 individuals, or a total of 47,106 persons were given relief at an approximate cost of \$216,327.

September—10,592 heads of families with 34,988 dependents and 1,527 individuals, or a total of 47,107 persons were given relief at an approximate cost of \$204,177.

October—10,155 heads of families with 33,642 dependents and 3,249 individuals, or a total of 47,046 persons were given relief at an approximate cost of \$185,922.

November—5,961 heads of families with 19,288 dependents and 3,274 individuals, or a total of 28,523 persons were given relief at an approximate cost of \$238,622.

December—7,413 heads of families with 25,157 dependents and 456 individuals, or a total of 33,026 persons were given relief at an approximate cost of \$238,189.

January—9,300 heads of families with 32,300 dependents and 700 individuals, or a total of 42,300 persons were given relief at an approximate cost of \$238,400.

British Columbia: The number of persons on relief increased from 64,262 in May to 93,500 in the following January, and the approximate cost rose in the same period from \$391,573 to \$465,000. There are details in the brief of the works upon which men were employed, the number and classes of men employed, and so on. The disbursements by the Dominion Government in respect of the Dominion's contributions to direct relief and other relief projects in this province from May 1 to February 23, the same period that applies to the other provinces, amounted to \$1,383,347.27. The loans and advances to British Columbia aggregate \$12,059,164.69, against which there are credits or repayments of \$6,185,354.89, leaving a net balance outstanding of \$5,873,809.80. There was a wheat bonus of \$23,440.40 paid in respect of 468,808 bushels.

Hon. Mr. HORSEY: Do the provinces agree to pay back so much annually?

Right Hon. Mr. MEIGHEN: The loans are made against treasury bills. I think all the money is due at the present time, but I do not know that there is any distinct agreement stating when it is to be repaid. In a word, it is not funded as yet.

Right Hon. Mr. GRAHAM: It is not liquid.

Right Hon. Mr. MEIGHEN: No; it is frozen even in summer-time.

I have given certain figures for all the provinces, but there are further details here under the headings of three departments, the Interior, Public Works and National Defence. Near the end of the brief there is a summary, the final figures of which might be usefully quoted here.

Loans and advances have been made in the following amounts for the following purposes:

	Amount of Loans or Advances	Credits and Repayments	Balance Outstanding
1. Against Dominion's share of Relief Expenditures.	\$ 9,192,500 00	\$ 8,454,706 83	\$ 737,793 17
2. Against Provinces' and Municipalities' share.	12,263,025 64	238,412 55	12,024,613 09
3. For New York Commitments and other purely provincial purposes.	22,467,561 73	3,040,670 69	19,426,891 04
4. Saskatchewan Relief Commission.	10,250,000 00	8,497,371 57	1,752,628 43
5. Relief to Farmers, including Seed Grain.	6,740,000 00	630,000 00	6,110,000 00
Totals.	\$60,913,087 37	\$20,861,161 64	\$40,051,925 73

The brief also contains a statement of the number of persons estimated to have received assistance in each province, for each of the nine months, but I do not think I should burden Hansard with these details unless specifically requested to do so.

Honourable members will see that the totals are gigantic, if not appalling. The Dominion as a whole—these words apply particularly to our Eastern provinces—has dealt in a spirit of liberality which I think should for ever cause the people of Western Canada to remain attached to their Eastern brothers.

Right Hon. G. P. GRAHAM: Honourable members, I desire to call attention to the first six words of paragraph b of section 2 of the Bill, "When Parliament is not in session." These words are new. One of the objections to the way in which relief has been administered by the Government up to this year was that the Governor in Council took power under the statute to get funds at any time, irrespective of whether Parliament was in session or not. I am not very strong on constitutional law, but I think the inclusion of the words I have referred to will make for an improvement that will satisfy Parliament and the people. When we, the representatives of the people, are in session, requirements for relief should be referred to us and not dealt with by the Governor in Council.

As the right honourable leader of the House has said, the figures are appalling. I like his remark concerning the generosity of the East towards particularly one or two Western provinces. And not only have the federal, provincial and municipal governments been generous whenever appealed to, but the people of this country have responded magnificently to the calls made upon them. I appreciate the situation, for I have been in a position to observe, in a limited way, how gladly—I use that word advisedly—our people have contributed when any appeal has been made on behalf of their unfortunate fellow-citizens, many of whom

Right Hon. Mr. MEIGHEN.

prior to the depression were in comfortable circumstances.

I am inclined to think that we are not so far away from better times as some people imagine; but although not versed in intricate finance, it strikes me that we shall never approximate to the point from which we have descended until the products of the farms, the forests, the mines and the fisheries can be marketed at fair prices. I have heard my right honourable friend (Right Hon. Mr. Meighen) make an eloquent speech on the virtue of silver currency, and I have listened to wonderful addresses in New York on the gold standard, how to keep the Canadian dollar at par, and matters of that kind, but until the primary products that I have mentioned can be marketed at remunerative prices, the gold dollar may as well be hoarded for all the benefit we shall get from it.

How can that improved condition be brought about? In my opinion, only by the restoration of mutual confidence among the various nations of the world. At the present time no nation will trust another very far; but in this respect a slight improvement is apparent. This being so, I believe we should encourage a feeling of optimism throughout the country. I mean not undue optimism, but a sane optimism based on a realization that already there are many bright spots in the general situation.

Perhaps some of my honourable friends may think me foolish when I express the opinion that the opportunities which we have had, and are still having, to cultivate a spirit of altruism and to engage in charitable work will exert a strong influence in bringing about a better citizenship in this and other countries. Many of us have not yet been hurt seriously by the economic depression through which we are passing, and it may be that we shall have to learn our lesson. Prior to the depression too many of us were trying to make a living without working for it, and when the time came to face the stern reality that gold was not to be picked from mulberry trees, we fell

down badly. But the great body of the people of Canada have not failed to discharge their social responsibilities, and I repeat, I am confident that the opportunities they have had to help their less fortunate fellow-citizens will tend to develop a better citizenship in this country.

As for the Bill itself, I am sorry it is necessary to appropriate so large a sum for direct relief, but as a member of this House, and as an individual citizen, I gladly acquiesce in the decision of the Government—and in this decision the people are behind it—to stand by those of our fellow-citizens who are not able to look after themselves.

I have one criticism to offer. Perhaps the principle adopted is unavoidable, but I deplore the fact that apparently we are compelled to hand out direct relief. No doubt the expenditure on public work to meet the present condition of unemployment would have to be on too enormous a scale for the Government to attempt it. But, unfortunately, direct relief is having a very detrimental effect on our young men. I live on the highway, and very few people travelling on foot pass my house without paying me a visit; therefore I am in a position to observe the disposition of many of the unemployed. Of the older men I have nothing to say. The younger men, from seventeen to twenty-two years of age, invariably come to my house in pairs, and they seem to have no thought of anything but direct relief. I am afraid that by the time we are in a position to tell them, "You can have no more direct relief," their habit of roaming from place to place and not working will be too firmly fixed to be easily eradicated. One of the results of direct relief is that the younger men now entertain the idea that the world owes them a living, and consequently they do not want to work. I fear they will hold to that idea for the rest of their lives. I do not exaggerate when I say that out of the thousands of younger men who have come to my house to ask for assistance, not more than six at the outside have sought to do something in return for what they got. Some of these men have been visiting me year after year until I have become chums with them. I wish it were possible to say to the younger men: "In return for what you get you must do some work in order to preserve your manhood. In every way it is better for you to give a quid pro quo—for the relief granted to you." I am alarmed by the attitude of our younger men, some of them mere boys. I suppose that during the last three months the proportion of mere boys as compared with the older men who have called at my place has increased fifty per cent. It may be that these youths are just giving rein to a spirit of ad-

venture, but I fear they may become confirmed loafers. That is an appalling condition to contemplate.

Some of the municipalities have a very good scheme of local relief. I may instance what Brockville is doing. We have what we call a community chest. The unemployed have their own organization, which co-operates with the executive committee handling the finances of the community chest. The men do a good deal of the work and this gives them a feeling that they are doing something to help themselves. Indeed, it takes away the stigma that they and their families are on unemployment relief. For instance, Brockville bought a wood lot, where the unemployed cut wood under the supervision of the town officials, and they are very happy to do the work. I call attention to the way in which Brockville is handling the problem in the hope that it will encourage other municipalities to do something along similar lines to enable the unemployed to take their part in looking after themselves, and so preserve their manly self-respect.

Hon. Mr. GRIESBACH: That would be quite feasible where the proportion of the unemployed to the total population is small. I do not think the scheme could be applied where you have, we will say, an eighth of the population on unemployment relief.

Right Hon. Mr. GRAHAM: Perhaps not to such an extent. But to my mind it is not so much a question of the number of unemployed as of the necessity of providing machinery to permit those out of work to retain their manhood by earning a part at least of what they are receiving by way of relief.

Hon. Mr. GRIESBACH: A social service agency.

Right Hon. Mr. GRAHAM: Yes. I have found that ninety per cent of the unemployed are not at all unreasonable. In my town when one of the unemployed becomes a bit unreasonable he is fired out of the organization, and he does not get any relief until he ceases to be unreasonable.

I think Canada is doing wonderfully well in looking after those of her citizens who are out of work, and I for one would not say a word that might be construed to suggest any diminution in that assistance to the unemployed.

Hon. J. STANFIELD: Honourable members, these appalling figures in relation to unemployment relief make one shudder, and wonder how much longer the country can carry the burden of taxation. I am sorry to say that unemployment in the Dominion is not decreasing. We cannot allow our desti-

tute fellow-citizens to starve, but where are we going to get the money to provide further relief after the present appropriation is expended?

I know a little about industrial conditions, and I can assure the House that our manufacturers are cutting down their overhead to the fullest possible extent, and yet many of them cannot keep out of the red. With few exceptions, the annual reports that appear in the press from time to time show that our industrial concerns are operating at a loss. To-day a manufacturer thinks himself very fortunate indeed if he can keep out of the red.

If our municipalities, our provincial governments, and the Federal Government would cut down their overhead as drastically as have our manufacturers, they could save millions of dollars. Unfortunately, too often the tendency is in the other direction. We have an example in the announcement made recently that the Radio Commission—which seems to be my pet aversion—is to be given a million dollars to spend. I would urge that we cut out such needless expenditure. We do not need a Radio Commission. I could cite other instances where economies might be effected, but I refrain from doing so at the moment.

Right Hon. ARTHUR MEIGHEN: I do not know very much about the expenditure to which the honourable senator (Hon. Mr. Stanfield) refers, except that it is in accordance with the policy recommended by all sections of the other House.

I rise merely to read an extract that I have received to-day from a retired farmer in a small town in Western Ontario. Certainly he is an intelligent man with a well balanced mind. I give the quotation in confirmation of some of the remarks of the right honourable senator from Eganville (Right Hon. Mr. Graham). This retired farmer says, in part:

I am acting as relief officer in our municipality this winter, and while some cases are both pitiable and deserving, the majority of them are simply maddening, when the law compels me to tax thrifty, hard-working, honest, law-abiding citizens, many of whom are striving to pay their debts by doing with the bare necessities of life, in order to provide the absolutely shiftless with food, clothing, fuel and shelter, the vicious with hospital and doctors' bills, and the criminals with palatial boarding houses where their every need is supplied. Is it any wonder if those of us who give the matter serious thought are pessimistic as to the future of our once splendid, if rugged, civilization, when thrift and industry can be taxed out of their homes and off their farms to support the lazy, shiftless, vicious and criminals in comfort? While I have asked the question, I do not expect an answer.

Hon. Mr. STANFIELD.

Hon. Mr. HUGHES: Why is it that the unemployment machinery set up in the early stages of this depression broke down so lamentably that it cost about ten dollars for every dollar of relief that reached the needy?

Right Hon. Mr. MEIGHEN: No, no.

Hon. Mr. HUGHES: Well, it broke down, anyway.

Right Hon. Mr. MEIGHEN: No.

Hon. Mr. HUGHES: Why was it abandoned?

Right Hon. Mr. MEIGHEN: It was not abandoned.

Hon. Mr. HUGHES: We are giving direct relief now.

Right Hon. Mr. MEIGHEN: That is not the machinery; that is the system.

Hon. Mr. HUGHES: Why was the system abandoned?

Right Hon. Mr. MEIGHEN: It cost too much.

Hon. Mr. HUGHES: Exactly. Why did it cost too much? It appears that in some way or other the administration broke down.

Right Hon. Mr. MEIGHEN: No, no.

Hon. Mr. HUGHES: What happened that we had to abandon what would appear to be a sound for an unsound principle?

Right Hon. Mr. MEIGHEN: The works were undertaken and supervised by the provinces and the municipalities. The defect of the method was inherent: while it was better than granting direct relief, it cost too much. The administration was not defective.

Hon. Mr. HUGHES: Why did it cost too much?

Right Hon. Mr. MEIGHEN: Because of the cost of labour and material. Certainly it would be better to give indirect relief if we could afford it, because those who receive it give their labour in return. But the provinces represented to the Government that neither they nor the municipalities could afford to bear their share of the cost, and for that reason the present policy of granting direct relief was adopted. The honourable senator has stated that under the former policy it cost about ten dollars for every dollar that reached the men. In reply I would say that the cost was only about one-tenth of a cent for every dollar of relief.

Hon. Mr. HUGHES: Could not an arrangement be made with the provinces whereby

the slums in our large cities could be cleared away and decent homes provided for our workingmen? Surely it is not beyond the capacity of the people of Canada to devise a better system of unemployment relief than that now in operation, for, as pointed out by the right honourable senator from Eganville (Right Hon. Mr. Graham), there is no doubt that many of our unemployed young men are likely to become confirmed loafers.

Right Hon. Mr. MEIGHEN: Correct.

Hon. Mr. HUGHES: Even if we had to spend a larger amount, it would be well worth while to do so to prevent such a calamity.

Right Hon. Mr. MEIGHEN: Where could we get the money?

Hon. Mr. HUGHES: The present appropriation might well be expended to save the character of the people.

Right Hon. Mr. MEIGHEN: It might save the character of those who would work; but if only the same amount were expended there would be a great many who could not be helped at all, and they would starve.

Hon. A. B. GILLIS: Honourable members, I can give an instance of work of that nature that was undertaken in 1931. Camps were established at certain points for the purpose of clearing land. From 250 to 300 men were engaged at a small wage varying from \$5 to \$10 a month. The supervision of the work, the building of the camps and the wages paid to the men cost a great deal of money. Last year, instead of continuing that system, it was decided that it would be very much cheaper to give the men who were in actual need a supply of food which would be just sufficient to meet their requirements. I could cite several instances in which the Government of the province found it necessary to make a similar change in order to save money.

Hon. Mr. HUGHES: How long will this have to go on?

Hon. GIDEON ROBERTSON: Honourable members, I think it only proper that I should say a word for the information of the honourable gentleman from King's (Hon. Mr. Hughes). He has mentioned a proportion of ten to one in referring to the cost of administration. I remember very well the system of relief undertaken in 1930, when this Parliament voted some \$20,000,000 as the federal contribution towards unemployment relief. If the honourable gentleman will refer to the report on unemployment relief for that year he will see that the cost of administering the \$20,000,000 was \$26,000.

Hon. JOHN LEWIS: Honourable members, it seems to me that the inherent difficulty lies in the fact that in these days of mechanization you cannot give employment to a certain number of men and pay them wages for their work unless you expend a larger sum on materials and machinery than is expended on wages.

Right Hon. Mr. MEIGHEN: That is right.

Section 1 was agreed to.

Sections 2 and 3 were agreed to.

On section 4—payment for direct relief not to exceed \$20,000,000:

Right Hon. Mr. GRAHAM: That is new?

Right Hon. Mr. MEIGHEN: Yes.

Section 4 was agreed to.

Sections 5 to 8, inclusive, were agreed to.

On section 9—duration of Act:

Right Hon. Mr. GRAHAM: This clause only extends the duration of the Act for one year.

Right Hon. Mr. MEIGHEN: Yes.

Section 9 was agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

THE ROYAL ASSENT

The Hon. the SPEAKER informed the Senate that he had received a communication from the Assistant Secretary to the Governor General, acquainting him that the Right Hon. Lyman P. Duff, Chief Justice of Canada, acting as Deputy of the Governor General, would proceed to the Senate Chamber this day at 5 p.m. for the purpose of giving the Royal Assent to certain Bills.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. McMEANS, Chairman of the Committee on Divorce, presented the following Bills, which were severally read the first time:

Bill R, an Act for the relief of Birdie Glickman Steinberg.

Bill S, an Act for the relief of Harry Prupas.
The Senate adjourned during pleasure.

THE ROYAL ASSENT

The Right Hon. Lyman P. Duff, the Deputy of the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Right Hon. the Deputy of the Governor General was pleased to give the Royal Assent to the following Bills:

An Act to authorize an agreement between His Majesty the King and the Corporation of the City of Ottawa.

An Act to amend the Migratory Birds Convention Act.

An Act respecting the Synod of the Diocese of Saskatchewan and to change its name to "Synod of the Diocese of Saskatoon."

An Act to amend the Income War Tax Act (Special tax.)

An Act to amend the Salary Deduction Act, 1932.

An Act for the relief of Margaret Borham Willson.

An Act for the relief of Clarence Eldon Durham.

An Act for the relief of Maurice Pasklink Simon, otherwise known as Maurice Simon Pashlinski.

An Act for the relief of Marjorie Elizabeth Rae Dixon.

An Act for the relief of Joseph Adrien Desmarreau.

An Act for the relief of Henry Norman Bethune.

An Act to amend the Income War Tax Act.

An Act to amend the Exchequer Court Act (Exclusive jurisdiction).

An Act to amend the Dominion Notes Act.

An Act respecting The Saint Nicholas Mutual Benefit Association and to change its name to "Ukrainian Mutual Benefit Association of Saint Nicholas of Canada."

An Act respecting Relief Measures.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1933.

The Right Hon. the Deputy of the Governor General was pleased to retire.

The House of Commons withdrew.

The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, April 4, at 3 p.m.

THE SENATE

Tuesday, April 4, 1933.

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

Prayers and routine proceedings.

POPULATION OF CANADA

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. What is the total population of Canada as shown in the last made census?

2. What is the number of aliens who have not become British subjects included in the total of such census?

3. How many of such aliens are (1) United States citizens, and (2) citizens of other foreign countries?

4. What are the figures, covering the foregoing matters, in respect to each one of the provinces of Canada, the Yukon and the Northwest Territories?

Right Hon. Mr. MEIGHEN: I have the answer to this inquiry. It is as follows:

1. 10,376,786.

2. 529,139.

3. Citizens of United States, 108,375; of other foreign countries, 420,764.

4.

	Total population	Total aliens	Aliens	
			Owing allegiance to United States	Other foreign countries
Prince Edward Island.. . . .	88,038	605	418	187
Nova Scotia.. . . .	512,846	6,276	1,933	4,343
New Brunswick.. . . .	408,219	4,069	2,294	1,775
Quebec.. . . .	2,874,255	70,558	13,828	56,730
Ontario.. . . .	3,431,683	149,590	27,898	121,692
Manitoba.. . . .	700,139	53,686	6,375	47,311
Saskatchewan.. . . .	921,785	78,523	17,826	60,697
Alberta.. . . .	731,605	89,011	25,435	63,576
British Columbia.. . . .	694,263	76,080	11,912	64,168
Yukon.. . . .	4,230	496	342	154
Northwest Territories.. . . .	9,723	245	114	131

PRIVATE BILL

FIRST READING

Bill 47, an Act respecting the Canadian Anthracite Coal Company, Limited.—Hon. Mr. Riley.

CRIMINAL CODE (OFFENSIVE WEAPONS) BILL

FIRST READING

Bill 53, an Act to amend the Criminal Code (Offensive Weapons).—Right Hon. Mr. Meighen.

COAL CREEK MINES

INQUIRY

Before the Orders of the Day:

Hon. J. H. KING: I wish to inquire of the Government whether it has any knowledge of the reported closing of the coal mines at Coal Creek, British Columbia. As many honourable members know, these mines are tributary to the city of Fernie. I would also ask whether the Government has considered any means whereby this reported permanent closing of the mines could be delayed or prevented.

Right Hon. Mr. MEIGHEN: I have no definite information as to the particular mine referred to, but I do know that because of the keen competition of British coal shipped to Vancouver, due to the advantage that vessels have of obtaining return cargoes of wheat at that port, the mines on the Pacific coast are having an exceedingly difficult time. The subject has been under consideration, and it is possible that I shall be able to give further information at a later date.

CHARITY SWEEPSTAKES BILL

PROPOSED AMENDMENTS CONSIDERED IN COMMITTEE

The Senate proceeded to consider the amendments proposed by the Standing Committee on Miscellaneous Private Bills to Bill I, an Act with respect to Charity Sweepstakes.

On motion of Right Hon. Mr. Meighen, the Senate went into Committee on the Bill and the proposed amendments.

Hon. Mr. Beaubien in the Chair.

On section 1—short title:

The CHAIRMAN: The first amendment is to substitute the words "Hospitals Sweepstakes Act" for the words "Charity Sweepstakes Act." The section as amended would read:

This Act may be cited as the "Hospitals Sweepstakes Act."

The proposed amendment was agreed to.

On section 2—Attorney-General of any province may authorize sweepstakes for charity within that province:

The CHAIRMAN: The amendment is that for the words "welfare of the sick, destitute and maimed within such province," in lines fourteen and fifteen, the following be substituted: "benefit of one or more hospital or hospitals within such province."

Hon. Mr. DANDURAND: Mr. Chairman, speaking for myself, I shall not object to these amendments as they are read, but shall await the motion for third reading of the Bill, when I may again challenge the principle of the measure.

Hon. Mr. RAINVILLE: Mr. Chairman, when we were in committee it was intended to make this section provide that not more than one sweepstakes could be held in any one province in a year. I move that the section as amended be further amended to read as follows:

Notwithstanding any law to the contrary, the Attorney-General of any province may not more than once in each year authorize by a certificate under his hand the conduct within such province by any person or persons therein named (hereinafter referred to as "the Committee") of a sweepstakes for the purpose of raising money for the benefit of one or more hospitals within such province.

Right Hon. Mr. MEIGHEN: Mr. Chairman, I suggest it would be much more convenient that the honourable senator should move his amendment in the following form:

That after the words "from time to time" in the third line of section 2 the following words be inserted: "but not oftener than once in each calendar year."

Hon. Mr. RAINVILLE: Yes; that would be the same.

Hon. Mr. PARENT: Of course, even under a section of that kind each of the nine provinces would have the privilege of running a sweepstakes at the same time?

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. PARENT: A nice situation!

The CHAIRMAN: My attention has been drawn to the fact that we are now considering, not the original sections, but simply the amendments.

Right Hon. Mr. MEIGHEN: I should be surprised to learn that the Committee of the Whole could not consider any section as amended.

The CHAIRMAN: Then every clause as amended by the Standing Committee is now before us?

Right Hon. Mr. MEIGHEN: Certainly.

The CHAIRMAN: The objection is that we are in committee to consider the amendments and not the Bill.

Right Hon. Mr. MEIGHEN: We are in committee on the amendments, but surely we can consider any clause as amended. Surely this committee is not hamstrung so that it cannot vote yes or no on the amendments, or cannot alter any amendment as it wishes.

The CHAIRMAN: It is moved in amendment by the honourable senator from Repentigny (Hon. Mr. Rainville) that section 2, as amended by the Standing Committee, be further amended—

Right Hon. Mr. MEIGHEN: By inserting the words "but not oftener than once in each calendar year" after the words "time to time."

The CHAIRMAN: The rest of the section is not just the same in the two amendments.

Right Hon. Mr. MEIGHEN: But that is the change the honourable member has in mind. I would ask him to accept his amendment in this form, because it is much simpler than the one he proposed and does not run the risk connected with his abbreviation of the first part of the section. The simpler form would reach his objective with less alteration of the section.

The CHAIRMAN: Section 2, with the amendments now proposed, would read as follows:

Notwithstanding any law to the contrary and notwithstanding anything to the contrary contained in any other Act, it shall be lawful from time to time, but not oftener than once in each calendar year, for the Attorney-General of any province in which the same is to be conducted to authorize by a certificate under his hand the conduct within such province by any person or persons therein named (hereinafter referred to as "the Committee") of a sweepstake for the purpose of raising money for the benefit of one or more hospital or hospitals within such province.

The proposed amendments were agreed to.

On section 3—Attorney-General may make regulations; powers defined:

The CHAIRMAN: Amendment 3—page 1, line 22: for the words "charity or charities" substitute "hospital or hospitals."

The proposed amendment was agreed to.

The CHAIRMAN: Amendment 4—page 1, line 24: for the word "charity" substitute "hospital."

The proposed amendment was agreed to.

Right Hon. Mr. MEIGHEN.

The CHAIRMAN: Amendment 5—page 1, line 26: for the words "charity or charities" substitute "hospital or hospitals."

The proposed amendment was agreed to.

The CHAIRMAN: Amendment 6—page 2, line 9: for the words "charity or charities" substitute "hospital or hospitals."

The proposed amendment was agreed to.

On section 8—Criminal Code not to apply:

The CHAIRMAN: Amendment 7—page 3, line 35: for the word "charity" substitute "hospital."

The proposed amendment was agreed to.

On the title:

The CHAIRMAN: For "Charity" substitute "Hospital."

The proposed amendment was agreed to.

The Bill was reported as amended.

THIRD READING POSTPONED

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

Some Hon. SENATORS: Now.

Right Hon. Mr. GRAHAM: To-morrow.

Hon. Mr. McRAE: Honourable senators, I regret that it will not be convenient for me to be here to-morrow. The Bill has been pretty thoroughly discussed, and I would ask that it be given third reading now.

While on my feet I may add that since this Bill was introduced several of the provincial treasurers have brought down their respective budgets, and I have no doubt honourable senators have noticed that in every case the appropriation for hospitals has been reduced. The operation of the Bill being now restricted to one objective, namely, hospitals, and to the operation of one sweepstake for each province, I would ask, in view of the urgency of the situation, that the third reading of the Bill be not postponed.

Right Hon. Mr. GRAHAM: Honourable senators, on a question of minor importance I would do anything to suit the convenience of my honourable friend from Vancouver (Hon. Mr. McRae), but he has thrown a very disturbing element into the legislative arena, and, there being strong opposition to the Bill on principle, it would be only reasonable for him to suppose that it would not be passed in a hurry. Several honourable senators are as much interested against the Bill as my honourable friend is interested in its favour,

but it was not convenient for them to be here to-day. Under the circumstances I am afraid we shall have to ask him to stay by his offspring until he sees what becomes of it.

Hon. Mr. BALLANTYNE: May I ask the honourable senator from Vancouver (Hon. Mr. McRae) what is really meant by the word "hospital"? In my city and province "hospital" may mean any one of several things.

Hon. Mr. McRAE: I think the term is pretty plain to us all. If there is any doubt about it in the Province of Quebec, the Attorney-General there will certainly know what it means.

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

PRIVATE BILL

SECOND READING

Hon. F. L. BEIQUE moved the second reading of Bill Q, an Act respecting the Quebec, Montreal and Southern Railway Company.

Right Hon. Mr. MEIGHEN: Honourable senators, I have no objection to the second reading of the Bill, as I assume that it will be referred immediately to the Committee on Railways, Telegraphs and Harbours. While on my feet, I would suggest that an amendment be there considered which would compel the company to see that its debts are paid before it distributes its assets.

Hon. Mr. BEIQUE: The committee will see to it that evidence is adduced to show that the debts have all been paid.

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

THE CATTLE INDUSTRY

MOTION FOR REFERENCE TO COMMITTEE

The Senate resumed from March 29 the debate on the motion of Hon. Mr. Riley:

That the Standing Committee on Agriculture and Forestry be authorized to consider and inquire into the conditions of export trade in cattle and the cattle industry generally.

Hon. J. J. DONNELLY: Honourable senators, last Wednesday I expressed my views on the motion introduced by the honourable senator from High River (Hon. Mr. Riley) and gave a brief outline of the method of marketing cattle in Canada. As I stated at the time, I feel that if this matter were referred to the Committee on Agriculture and Forestry it would be dealt with in a thorough manner. If it is the wish of the House, I should be glad to have it so referred as soon as possible.

Hon. A. B. GILLIS: Honourable senators, I am sorry that the honourable senator from High River (Hon. Mr. Riley) is not in his seat. This is an extremely important question, not only to the ranchers of the West, but to all the stock-raisers of Canada.

Perhaps many in this Chamber are wondering why we have not long ago called upon the Standing Committee on Agriculture and Forestry to investigate, and seek remedies for, some of the serious problems which are handicapping the cattle industry and other branches of agriculture. For at least ten years this Committee has not functioned to any extent. It is called together occasionally to approve of certain Bills that come from the other House. I am glad that the honourable senator from High River brought this matter to our attention. While his resolution deals with only the cattle industry, it can be widened out in order to include all branches of agriculture.

Stock-raising in the West, and, in fact, in all parts of Canada, is extremely important, not only for ranchers, but for our farmers in general. They are fully alive to its importance as one of Canada's basic industries. In the older parts of the province in which I live, where wheat raising has been for many years the major industry, the farmers are beginning to realize that they cannot go on with that mode of farming indefinitely. They have discovered that they cannot go on for ever taking everything out of the soil, without in some way replenishing it. This can be done only by following a system of what is known as mixed farming. Consequently we find that a large number of our farmers are increasing their herds of cattle, also their sheep and hogs. This system of farming, even under existing low prices, is found to be more profitable and safer than the exclusive growing of grain. In the older settled parts of the Prairie Provinces noxious weeds are a scourge. To a large extent these noxious weeds can be smothered by the growing of coarse kinds of grain, which are necessary for successful stock-raising.

I was extremely pleased to notice the statement of the honourable senator from High River that the home market consumed a large percentage of the cattle produced in this country. He stated—and I presume his figures are correct—that last year we exported to Great Britain only 17,000 head of cattle, and that the home market consumed 1,500,000 head. In other words, the home market consumed nearly 87 per cent of our cattle; which proves that the home market is the most important of all. It has been at times ridiculed as of comparatively little value, but

our statistics show that from year to year our existence depends upon it to a large extent.

As honourable senators are aware, we had at one time practically an open market for our cattle in the United States. The duty being very low, we carried on an extensive business with our neighbours to the south, who took our young stock, animals two or three years old, and fed them for the market. As far as our stock producers were concerned, I think that was a mistake. As I have stated, we are going into the cultivation of the coarser grains, and indeed in Manitoba and certain parts of Saskatchewan corn is being grown successfully. So we can prepare our young animals for the market just as well as can our American friends, who found it a very profitable business.

I desire to point out briefly what the Government has done during the past two years to encourage not only stock-raising, but other farming activities as well. In fact I think I am safe in saying that since Confederation no other Government has taken such a practical interest in the various phases of agriculture. Take the situation existing in Western Canada a couple of years ago, when the huge organization known as the Wheat Pool was on the verge of bankruptcy. In order to save thousands of farmers interested in the Wheat Pool, the Government advanced \$15,000,000 to enable the organization to carry on. Had not this been done, probably tens of thousands of people in the Western Provinces would have lost their holdings.

Last autumn the price of wheat was so low that something had to be done to stabilize the market. Again the Government came to the rescue of Western Canada and advanced \$15,000,000 to keep the market on a reasonably sound basis. As a result the wheat farmers of the Western Provinces, during the past six months, have received a higher price for their wheat than have wheat growers in any other part of the world.

Again, at the Imperial Economic Conference at Ottawa last August the Government looked after the interests of our farmers. For the past twenty-five or thirty years every effort had been made by our live stock men and others to get the Imperial authorities to withdraw the embargo against the importation of Canadian cattle. Delegation after delegation went to England for that purpose, but without result. At the Economic Conference the Government succeeded in securing the removal of the embargo, and as a result of that action

Hon. Mr. GILLIS.

our cattle now have free entrance to the British market. In addition to that, it secured a preference on many of our agricultural products, which, this afternoon, I am not going to enumerate.

But what I think is of greater importance than anything else done by the Government is its recent action in establishing a stabilization fund. If we take into consideration the advantage that will accrue to the stock-raisers of Canada by reason of the establishment of this fund, we shall find that for animals weighing twelve hundred pounds, and selling at six cents a pound, the owner will receive at least nine dollars, probably ten dollars, per head, in addition to the price ordinarily paid. Everyone must admit that this will be a great boon to the stock growers of Canada. It is my sincere hope that the Government will regulate this matter so that the benefits of the stabilization fund will go direct to the man who produces the cattle.

Two years ago the Government decided to offer a bonus of five cents a bushel to the wheat growers of Western Canada. When that proposal was brought down in the other House, those who were opposed to the Government ridiculed the idea. They said, "The elevator men and the railway companies will get the advantage of that five cents a bushel." Instead of that, the farmer who grew the grain received a cheque for five cents a bushel on every bushel he marketed, and he consequently enjoyed the full benefit of the bonus. If some scheme can be arranged under this stabilization plan, it will be of great benefit to the stock growers of Canada. It may not be possible to bring this about, but I think the Government should give it very serious consideration and make an effort in that direction.

There are many matters that our committee, if it is permitted to function, can deal with. The honourable senator from Bruce (Hon. Mr. Donnelly) stated the other day that the stock-yards throughout Canada—he referred more particularly to one in Toronto, with which he was familiar—were charging as much to-day for the handling of all products as they charged during war-time, when prices were high. He pointed out that they were charging \$27 a ton for hay—an outrageous price. Last autumn an instance of this kind was brought to my attention. A man in the town where I live shipped several carloads of first-class baled hay, for which he got \$7 a ton. The cost of transporting it to the stock-yards was probably \$1.75 or \$2. So, if the hay is being sold to stock growers at

\$27 a ton, someone is making an excessive profit out of the transaction. There are many other complaints that the stock markets are working serious injury to the farmers. I have heard complaints with regard to the grading of hogs. Whether this work is done by Government inspectors or not, I do not know. There is a certain class of hogs called "selects." They are supposed to be perfect animals, and a bonus of \$1 a head is paid for them. Unfortunately, credit is given for but very few of these animals in the average carload of hogs. One man told me that he went to Winnipeg with a carload of hogs. He felt absolutely confident that he would get twelve "selects" out of the carload. "But," he said, "what was my surprise when I was told that there were only three 'selects' in the whole carload." He was a man of experience, and thought he was just as capable of judging animals as the inspector. Yet we got three "selects" when in his opinion he should have had ten or twelve.

As I say, this committee should inquire into many things. Honourable members have observed that an inquiry is going on before a committee in another place. In that committee there was some talk about the non-payment of dividends. The company that was the subject of investigation claimed that it was not able to pay dividends, and one or two of the officials of the company came forward and stated that it was struggling for existence. Then, a day or two later, the president was examined, and he was compelled to admit that whereas the original capital of the company was \$113,000, the business now, by reason of the company's operations during a certain number of years, was worth more than half a million dollars. How did the company make such profits?

Hon. Mr. CASGRAIN: Is that the Montreal stock-yard?

Hon. Mr. GILLIS: No; I had finished with that. Perhaps I had better go back. This business, which started out with a capital of \$113,000, is to-day admitted to be worth half a million. How did the company make so much money? Was it not by charging the consumers one hundred per cent more for the milk than was paid the farmers for it?

Most honourable gentlemen must have read in the press a day or two ago that in certain parts of Ontario—and probably in other parts as well—when spring lambs were brought to the market last autumn the packers or some other organization decided to fix seventy pounds, no more and no less, as the proper weight. If a lamb weighed seventy-five pounds the farmer would get only half price for it,

or if it weighed less than seventy pounds he would get only half price. But, as was pointed out in the paper, when one went to a meat shop to buy lamb he was not asked whether he wanted lamb from an animal that weighed seventy pounds, eighty pounds or sixty pounds; the same price was charged, no matter what kind of lamb was supplied. That is a matter that might be inquired into by the committee.

Now I come to another industry, which I am almost afraid to mention. I refer to the milling industry of Canada. The day of the old custom mill that used to serve the community has gone by; the day when the farmer would take his load of wheat to the mill, pay ten or fifteen cents a bushel for grinding, and take home his year's supply of flour, bran and shorts. The milling business to-day is entirely in the hands of the large companies, and I think I am safe in saying that invariably the price charged for flour and its by-products, such as bran and shorts, is entirely out of proportion with the price of wheat throughout the country. I understand that about two and two-fifths bushels of wheat are required to produce a ninety-eight pound sack of flour, for which the milling companies to-day charge \$2.15. I am quoting Western prices. This flour is made of wheat costing fifty cents a bushel, or less. During the last few months every milling company in Canada has been able to secure a supply of wheat in Western Canada, where millions of bushels were sold, and where the companies had agents at almost every point, at less than forty cents a bushel, and even as low as thirty cents. If this is true, and I do not think anybody can contradict it, there should be an investigation into this industry to find out who is making the money. This is a matter of importance to all householders in Canada, for they all use bread and flour.

I am glad to see at the head of the committee the honourable senator from Bruce (Hon. Mr. Donnelly). He has a general knowledge of these matters and will go into them thoroughly. He has outlined a few of the many problems that the farmers and stock growers of Canada have to contend with. If the millers or the stock-yards or any other organizations are cheating the public, we should find out about it.

Hon. Mr. HUGHES: Will the honourable member permit a question? I have seen it stated that the millers of Canada sell flour in England cheaper than they do in Canada.

Hon. Mr. McMEANS: They always do.

Hon. Mr. HUGHES: What is the reason?

Hon. Mr. GILLIS: I suppose the reason is that in Great Britain they meet with competition, while here they have everything in their own hands. I would strongly urge that this committee, even though but part of the session remains, should take up matters relating to the stock-yards, and that next session it should deal with various matters that may be brought to its attention. I trust that the committee will function and will be able to do a work of great value to the people of Canada.

Hon. W. A. BUCHANAN: Honourable senators, I desire to make a few observations on this resolution, even though I have not such personal acquaintance with the subject-matter as is possessed by the previous speakers. The mover of the resolution (Hon. Mr. Riley), as some of you may know, has been engaged in ranching and farming in the Province of Alberta for almost fifty years, and I doubt that any other man engaged in ranching in Western Canada is as familiar with all aspects of the industry as he is. Certainly no other rancher is held in as high regard by his fellow ranchers as is the honourable gentleman. At the present time he is president of the Western Stock Growers' Association.

For some years past an effort has been made in Eastern Canada to induce the farmers of Western Canada to go into mixed farming and the raising of live stock, and of recent years a very marked development has taken place in this respect. As a business man who lives in Western Canada I am very desirous that farming should succeed and the live stock industry thrive in that part of the country. But in view of the discouragements that have come to the farmers who have gone into the raising of live stock during the past few years, I am afraid that those who are experimenting in it will be so upset by their experience that they will abandon that occupation and go back to the old method of raising wheat alone, which in the long run, as we have been told by leaders of industry and finance, would be disastrous to agriculture and to the economic life of Western Canada.

I approve of this resolution, and of its purpose of having a study made of the live stock industry in Canada, for I believe the committee has in its hands the fate of mixed farming in Western Canada. It should be the business of every member of this Chamber, no matter from what part of the country he comes, or what business he is engaged in, to encourage the study of this problem with a view to discovering some means of relief.

Hon. Mr. HUGHES.

Undoubtedly the solution is in the finding of markets. We are producing more than we can consume; we are producing such a surplus that we cannot find markets for it outside of Canada, and if this situation continues there is going to be such a glut of our own market that farmers will withdraw from the live stock business. I speak of farmers because the ranchers are engaged in the live stock business alone, whereas the farmers are engaged in that business only to the extent that it enters into mixed farming, and they will be more easily discouraged.

If we could extend the scope of this resolution so that it would include all branches of live stock, and take in the study of all the problems of agriculture connected with the raising of live stock, it would, I feel, be very helpful. As one who is not intimately interested in the business of raising live stock, but who realizes its value to all parts of Canada, I feel that this resolution should be adopted and that the committee should make as thorough an inquiry as possible.

Hon. J. E. SINCLAIR: Honourable members of the Senate, I should like to take a few moments to say a word in support of the resolution moved by the honourable senator from High River (Hon. Mr. Riley) and so ably and generally supported by the other honourable gentlemen who have spoken. I do so because I am one of those who are directly interested in the success of agriculture and of the people engaged in that occupation.

It will be remembered that last session the honourable senator from High River (Hon. Mr. Riley) introduced a motion similar to the one we are now discussing, and certain phases of the cattle business were in consequence referred to our Standing Committee on Commerce and Trade Relations with a view to the bringing out of information that would be of benefit to the Government in carrying on discussions at the Imperial Economic Conference which met at Ottawa last year. I was not a member of that committee, but I attended nearly all its sessions, and I want to say that its chairman, the honourable gentleman from Sydney (Hon. Mr. McLennan), deserves credit for the way in which the inquiry was conducted and evidence adduced. I understand that that evidence proved to be of considerable value and was the turning point at one of the discussions before a sub-committee of the Conference.

Some valuable results have followed from the work started by that motion of the hon-

ourable gentleman from High River. I have in my hand a publication of the Department of Trade and Commerce, the Commercial Intelligence Journal, with which all honourable members are familiar. The issue of March 18 of this year contains a report by our agricultural representative in England, Mr. W. A. Wilson, setting forth changes that have been made in the regulations governing export of cattle. Regulations that were classed as nuisances and were a great hindrance to the exporting of cattle to the United Kingdom market have been done away with since the 17th of January last. I do not think it is necessary to read them to the Senate, because this report is available to all honourable members.

Another encouraging feature is that all the Canadian cattle that have been going to Britain since that time have commanded favourable prices. In the Commercial Intelligence Journal of the 25th of March last there is a report by our Trade Commissioner of a cattle sale held at Glasgow on March 6, and this shows that the prices received by the shippers were very encouraging.

Several honourable members have referred to the creation by the last budget of a stabilization fund. That, no doubt, is of direct benefit at the present time, but the benefit can be only temporary, because it is wholly based on the fact that our money is at a premium over British money. When there is no longer such a premium the good effect of the stabilization fund will cease to exist. The advantages that would accrue to the cattle industry in Canada from an inquiry such as is proposed in this motion would, in my opinion, be more permanent and far-reaching than any we can expect from a stabilization fund. However, under this fund the pound is to be fixed at \$4.60, and to those who export cattle to the Old Country market this will give some advantage in the matter of exchange.

I would urge upon the right honourable leader of the House that the inquiry be allowed. It may be, as was said by the honourable senator from South Bruce (Hon. Mr. Donnelly), that the session is so far advanced that this matter cannot be gone into as fully as it deserves. The external phases of the business were dealt with last year by the committee to which I have referred. The Committee on Agriculture could confine its inquiry more particularly to conditions in Canada and to ocean rates. The chairman of that committee (Hon. Mr. Donnelly) is well acquainted with the cattle industry and highly qualified to preside over a thorough in-

vestigation. There is room for inquiry with regard to the charges made at the stockyards, the services given to our cattle men by the railways in getting cattle to the ports, and the rates for ocean transport. We naturally expect that some reduction can be made in those charges, but I do not know whether it is necessary for us to deal with that question in considering the motion. If we can help to create more confidence between the producer and the markets we shall be doing a great deal to help the agricultural industry. For these and many other reasons, which I need not take time to state in detail, I wish to support the motion.

Hon. Mr. DANDURAND: I think there is considerable advantage to be gained from setting on foot an inquiry such as is proposed, and as I am under the impression that we may still be sitting here in June, I suppose there will be plenty of time for the committee to deal with the matter. I rise simply to suggest that the Chairman of the Committee on Agriculture (Hon. Mr. Donnelly) might look around and see if there are not some honourable senators, not on this committee, whose experience and knowledge would make them valuable members of it.

Right Hon. Mr. MEIGHEN: I may say that the chairman of the committee spoke to me just a few moments ago, suggesting that the membership should be enlarged, especially as two or three of the present members are not regularly present. I have no doubt that he will be speaking to the honourable leader or the Whip opposite and asking for suggestions from that side of the House with respect to additions to the committee.

Hon. J. A. CALDER: Honourable senators, I was very much struck with a remark made by the honourable gentleman from Saskatchewan (Hon. Mr. Gillis), to the effect that although we have had a Committee on Agriculture for a great many years, it has scarcely ever undertaken any research work or study of our agricultural problems, having confined itself merely to routine matters concerning Bills that have come before it. I may say that I have not inquired to ascertain whether the honourable gentleman's statement is well founded. All that has been said on the importance of agriculture is undoubtedly true. Agriculture is, after all, our great industry, and unless it succeeds this country cannot succeed. Therefore it seems to me that the Senate should from time to time try to see in what way it can assist in the development of that industry. As the Chairman of the Committee

on Agriculture (Hon. Mr. Donnelly) has intimated, it is now late in the session and there may not be time to do much with the proposed inquiry. We have just heard that we may be here until June, and if that proves to be a good guess there will be considerable time for dealing with some phases of the cattle industry. May I suggest to my honourable friend the chairman of the committee that after prorogation he consider ways in which this House may be useful in carrying on inquiries with a view to improving the state of agriculture, and let us have some of these ways brought to our attention in the early part of next session.

The motion of Hon. Mr. Riley was agreed to.

VISITING FORCES (BRITISH COMMONWEALTH) BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 40, an Act to make provision with respect to forces of His Majesty from other parts of the British Commonwealth or from a colony when visiting the Dominion of Canada; and with respect to the exercise of command and discipline when forces of His Majesty from different parts of the Commonwealth are serving together; and with respect to the attachment of members of one such force to another such force, and with respect to deserters from such forces.

Hon. Mr. DANDURAND: Would the right honourable gentleman explain?

Right Hon. Mr. MEIGHEN: I think I have already given a brief explanation, but my memory may be at fault. The Bill is one of several measures which are consequential upon the Statute of Westminster. That Statute has made it necessary for Canada to lay the foundation of her law in respect of subjects which formerly were taken care of by Imperial enactment. The extension of this country's jurisdiction into the extra-territorial field renders it essential that we pass a law governing the status of visiting forces of His Majesty in Canada. As I understand it, the effect of this Bill will be to implement, and tie into our own legislation, practices which have grown up and are essential with respect to the discipline and internal administration of visiting forces. I believe that the duties of such forces will be exercised principally in the matter of training, and that the Bill contemplates the interchange of officers and men only during times of peace. To state the limitations of the Act in another way, I would say that there is nothing within its four

Hon. Mr. CALDER.

corners which in any way alters the fundamental necessity that this Parliament should determine when conditions of peace exist and when actual participation in war commences. Authority to decide such a question rests of course entirely in the Parliament of Canada, and has been exercised on more than one occasion in our history. Until this Parliament decided upon participation in war by Canada the provisions of the Bill would of course apply in full; there would be no limitation to the interchange of officers and men, nor to the operation of any other part of the legislation. The Act would apply to war-time conditions if Canada again determined upon participation in war; but only then could the Act have any such application. I will state the matter in another way. The fact that the Bill provides for the interchange of officers and the placing of Canadian rank and file under an officer from another part of the Empire in no way implies that this may be done for purposes of participation in a conflict, unless Parliament has dealt with the subject previously and determined that such participation should take place. Such is the purview of the measure, and such its very clear and definite limitation.

Hon. Mr. CASGRAIN: Will the right honourable gentleman enlighten the House on an important matter? There was a famous treaty of peace made at Lausanne between His Majesty and Turkey, but the Canadian Prime Minister of the time said that this country was not invited to take part in the making of that treaty, and did not do so. Will the right honourable gentleman tell us whether we are still at war with Turkey? It is a serious question.

Right Hon. Mr. MEIGHEN: But it is rather alien to the present Bill.

Hon. Mr. CASGRAIN: No.

Right Hon. Mr. MEIGHEN: I have a full sense of my responsibility and I want never to diminish it. Consequently I will rise to its full height and assure the honourable senator that we are not at war with Turkey.

Hon. Mr. CASGRAIN: But we did not take part in the Lausanne treaty of peace. The Prime Minister of the day said that we had nothing to do with it. When did we get out of the war?

Right Hon. Mr. MEIGHEN: We took part in, and this Parliament ratified, the treaty of Sèvres, which preceded the treaty of Lausanne and terminated the war with Turkey. I am not aware that we have declared war on Turkey since.

Hon. Mr. DANDURAND: When I read the discussions on this Bill in another place I thought the measure was difficult to understand, but since I have read it I find it fairly clear. The Bill refers only to His Majesty's forces when visiting this Dominion. The word "visiting" is capable of wide application, but the right honourable gentleman has explained that the forces from other parts of the Empire would not have certain powers in time of war unless our Parliament determined upon participation. I am not expecting that we shall require aid from outside forces for some time. In spite of the view of the gallant and honourable senator to my right (Hon. Mr. Casgrain) that war will always be with us, I believe that the Kellogg-Briand treaty, which we signed, will effectively dispel any war clouds that may arise, and will save future generations from the horrors of armed conflict on this continent, at all events.

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

The Hon. the SPEAKER: Shall this Bill be referred to Committee of the Whole?

Right Hon. Mr. MEIGHEN: If any honourable senators so desire, I shall be only too pleased to have it referred to Committee of the Whole. I was going to ask that the third reading be set down for to-morrow.

Hon. Mr. DANDURAND: We have in this Chamber several gallant generals who went through the late war. They are familiar with the details of the Bill, and if they are satisfied with the measure, I have no amendments to offer.

Hon. Mr. MACDONELL: The Bill provides merely for the handling of troops during peace time. The intention is that when any Imperial troops happen to be in this country, or any of our troops happen to be in Great Britain or any other part of the Empire, this Bill shall govern their movements.

Right Hon. Mr. GRAHAM: Does it apply to any members of the Imperial Reserve living in Canada?

Hon. Mr. MACDONELL: I think so.

Right Hon. Mr. GRAHAM: There are a number of them in this country.

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

DIVORCE BILLS

SECOND READINGS

On motion of Hon. Mr. McMeans, Chairman of the Committee on Divorce, the following Bills were read the second time:

Bill R, an Act for the relief of Birdie Glickman Steinberg.

Bill S, an Act for the relief of Harry Prupas.

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

THE SENATE

Wednesday, April 5, 1933.

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

Prayers and routine proceedings.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. F. L. BEIQUE presented the report of the Standing Committee on Miscellaneous Private Bills on Bill 29, an Act to amend and consolidate the several Acts relating to the Board of Trade of the City of Toronto, with one amendment, and moved concurrence therein.

He said: Honourable senators, the amendment is a small one. Section 10 of the Bill as it came to us reads as follows:

The president, the vice-presidents, the honorary treasurer and the immediate past president shall comprise an Executive Committee of Council who shall, when the Council is not in session, exercise all the powers of the Council. The action of the Executive Committee shall be reported to the Council as soon as possible.

The proposed amendment is that the words "If authorized by by-law of the corporation" be inserted at the beginning of the section.

The motion was agreed to.

THIRD READING

Hon. Mr. MACDONELL moved the third reading of the Bill.

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

COMMITTEE ON AGRICULTURE AND FORESTRY

INCREASE IN MEMBERSHIP

Hon. Mr. DONNELLY presented the second report of the Standing Committee on Agriculture and Forestry, and moved concurrence therein.

He said: Honourable members, this report recommends that the Standing Committee on Agriculture and Forestry be authorized to send for persons, papers and records, and that for the remainder of the session the personnel of

the committee be increased from nine to not more than fifteen members. My reason for moving that the report be concurred in now is that we are desirous of meeting to-morrow for organization purposes, in order that we may get on with the work before us.

The motion was agreed to.

Right Hon. Mr. MEIGHEN: I beg to move that for the remainder of this session the following members, namely, Hon. Senators B nard, Buchanan, Gillis, McGuire and Sharpe, be added to the list of members constituting the Standing Committee on Agriculture and Forestry.

The motion was agreed to.

CANADIAN NATIONAL-CANADIAN PACIFIC BILL

INQUIRY—EXPENSES OF WITNESSES

Hon. Mr. HORSEY inquired of the Government:

Whether any expenses were incurred by the Government for the payment of the expenses of witnesses who appeared before the Senate Railway Committee on Bill A, and, if so, what was the total amount paid therefor.

Right Hon. Mr. MEIGHEN: No expenses were incurred for payment of witnesses.

PRIVATE BILL

FIRST READING

Bill 49, an Act respecting a certain Patent application of Fred Charles Fantz.—Hon. Mr. Griesbach.

ROYAL CANADIAN MOUNTED POLICE BILL

FIRST READING

Bill 58, an Act to amend the Royal Canadian Mounted Police Act.—Right Hon. Mr. Meighen.

HOSPITAL SWEEPSTAKES BILL

THIRD READING

Hon. A. D. McRAE moved the third reading of Bill I, an Act with respect to Hospital Sweepstakes, as amended.

Hon. J. J. HUGHES: Honourable senators, since the right honourable senator from St. Mary's (Right Hon. Mr. Meighen) became a member of this House, and since the practice of introducing important bills in this Chamber has been adopted, the dignity and informative character of our debates have been maintained, and I think the Senate has grown in the confidence and respect of the country. He has certainly the ability to lead, which is a great gift. But with the gift goes

Hon. Mr. DONNELLY.

an equally great responsibility. The confidence and respect to which I have referred can be continued, and even enhanced, or can be destroyed. The Senate of Canada is the guardian of its own honour and usefulness. No other body of men inside or outside the country can injure it, except in the matter of appointments. If wounded, it must itself deliver the blow. For this reason and for every other reason that could be mentioned, great care should be taken in the kind of legislation it initiates and passes. I fear proper care and consideration were not given to the principle of the Sweepstakes Bill on the second reading; but there is yet time to redeem the mistake then made.

If there has ever been, in the history of the world, a time to exercise care with legislation of this kind, such a time is the present. On every hand there is evidence that the distress of the nations has been caused largely by the carrying out, in the everyday lives of the people—rich and poor—of the fundamental principle of this Bill. In fact this is admitted, even proclaimed, by the proponents of the Bill, and the strange argument is used that because of this wholesale, universal evil, the floodgates should be opened still wider, all restraints removed and everybody given plenty of opportunities to become a gambler! The arguments that have been used—perhaps they had to be used—in favour of this Bill should be its greatest condemnation.

The honourable senator from Hamilton (Hon. Mr. Lynch-Staunton), who is a lawyer and can reason, declares that the vilest and plainest forms of gambling are encouraged and protected by the laws of our country; therefore this Bill should be passed and another statute added to the sum total of the evil. It is impossible to understand such reasoning—at least it is impossible for me. Perhaps the honourable gentleman thinks that through the passing of this Bill the evil will attain such colossal proportions that the people, in desperation, will rise up and demand the abolition of all laws permitting gambling. He must have some such idea in mind, but surely the better course for him and those who agree with him to follow would be to do what they could to get some of the worst of these laws repealed. That would be an honourable and understandable position to take. Even if he did not succeed, he would know that he had tried to do his duty, and I promise him he would have all the support that I could give him.

At this point, I think, it would be appropriate for me to read to the House a short extract from a dispatch that appeared in the

Ottawa Citizen this morning. It is headed, "Britain learns from crash." I desire to draw the attention of honourable senators to this paragraph:

While the United States salvages her banking and currency system, political and financial Britain feels the repercussion in fresh demands for monetary reform and for stronger laws against speculation. The lessons of the transatlantic boom of 1929 and the crash of 1933 have been by no means lost on British observers.

And this is the time when the Senate of Canada is thinking of passing legislation to afford greater facilities for speculation and gambling!

I am satisfied that many of the honourable senators who voted for the second reading of this measure did not fully realize what they were doing.

Some Hon. SENATORS: Order.

Hon. Mr. HUGHES: I will give my reasons. After the vote had been taken, some of the senators told me they had voted for the Bill because the Senate had rejected it twice and they thought the Commons should get the opportunity to reject it once. Others told me that they did not approve of the Bill at all, but they had been asked to vote for it and did not like to say no.

Hon. Mr. CASGRAIN: I rise to a point of order. Those honourable senators must be named, for what the honourable gentleman has just stated reflects on every honourable member of this House.

The Hon. the SPEAKER: I think the honourable gentleman should refrain from making such statements.

Hon. Mr. HUGHES: If they are contrary to the dignity and procedure of the House, I will certainly do so. There is no question about that.

We may be on the eve of great changes. In many respects the old order of things appears to be passing. All kinds of remedies are being suggested for the cure or alleviation of our economic and other ills. Doubtless some of these suggested remedies have merit and are worthy of careful consideration, while others would probably be worse than the disease.

Hon. Mr. PARENT: Is that a quotation from the Bible?

Hon. Mr. HUGHES: If my honourable friend would read the Bible a little more carefully, such a question would not be necessary.

It is a time of unrest and strain, and therefore not a time when the Parliament of Canada should deal lightly with legislation which,

to say the least, is of a very doubtful character. Not even the advocates of this legislation contend that it would promote honesty, sobriety, thrift, industry and fair dealing. It would surely have the opposite effects. Yet the Senate of Canada voted for this Bill.

I cannot help thinking that if, in the past, as much care had been exercised in appointments to the Senate as in appointments to the Bench, to royal commissions and to other semi-judicial bodies, the Senate would by this time occupy such a position in the country that the people would instinctively turn to it for guidance in times of stress and strain and doubt. I do not think it is yet too late. No legislative body in this or any other country can afford to take chances with legislative responsibilities.

I do not fear for what will happen to Canada if this Bill pass the Senate and go to the Commons. That body will not likely make it law this session, and may never pass it. This is a private Bill, and private members' days in the other House are exhausted, there being left for the next few weeks only two hours a week for the consideration of such Bills. If this measure is sent to the Commons, it will be placed at the foot of the Order Paper and may not even be reached this session. I certainly think that in view of all the circumstances, this House would be well advised to refrain from giving this Bill the third reading.

Hon. ROBERT FORKE: Honourable members, as it does not appear that we are going to have a vote on the question, I desire to place myself on record as being opposed to the passage of this Bill.

Hon. RAOUL DANDURAND: Honourable members of the Senate, I do not wish to give a silent vote on this measure. Last year I opposed two measures that came before us which embodied the principle contained in this Bill. I do not intend to dogmatize on the principle of the measure. I speak simply for myself. After a study of conditions in Montreal during the last thirty-five years, I am of the opinion that the lottery system is demoralizing to many sections of the community, more especially the young men. The end in view on this occasion is a very commendable one, that of obtaining money for hospitals, but I am very much afraid, from a practical point of view, that even though some advantage might accrue for a year or two, the widespread promulgation of sweepstakes throughout the country—each province having the right to levy money in this manner—would result in the breaking down of the system; that meantime,

because the hospitals appeared to be thriving under the new régime, wealthy people in the habit of contributing to hospitals would cease doing so; and that in the end those institutions would find themselves as they were in the beginning, with but few friends.

I am speaking generally. I have the greatest respect for the opinion of my colleagues who hold a different view. Yet I cannot reconcile myself to a change of mind in regard to this matter, which, as I have already said, I have been studying for a number of years.

Hon. GEORGE GORDON: Honourable senators, in regard to this Bill I can say very little that has not already been said. I feel very strongly, however, that the Bill should not be passed by this House, and I desire to go on record as being opposed to it.

Right Hon. GEORGE P. GRAHAM: I do not believe in this Bill, and I hope to get a chance to vote against it again. The reasons advanced against the Bill by my honourable friend to my right (Hon. Mr. Dandurand) are largely the ones that appeal to me. I think nobody will accuse me of being so narrow-minded or strait-laced as to be unreasonable, and the more I consider this proposal the worse it appears to be.

The honourable member for King's (Hon. Mr. Hughes) has stressed the fact that of all times in the history of the world this is a time when we ought to endeavour, at least, to induce the people of Canada, particularly the younger people, to return to the path of reasonableness in attempting to make a living. We can discuss the present depression as much as we like, and advance reasons for it, but the fact remains that it is largely due to the efforts of a great portion of the world's population to secure a living without working for it—to get something for nothing. To my mind, anything that will encourage such a tendency in the slightest degree is most objectionable. The hospitals throughout Canada are certainly worthy of support, but this kind of support is not worthy of the hospitals, or of the spirit that has made possible their establishment and their maintenance through all the years.

If this Bill should become law many thousands of people in Canada will probably say, and with some reason: "If the Government of the province, with the sanction of the Federal Parliament, has undertaken to support these hospitals through a lottery, we are relieved of the necessity of assisting them, and will turn our contributions towards something else." If we were to think of it indi-

Hon. Mr. DANDURAND.

vidually, would not that be our conclusion? Every year individuals, societies and churches have contributed substantial sums towards the support of these wonderful philanthropic institutions. I am inclined to think that once the policy of supporting them by means of lotteries is adopted and ticket-selling becomes general, the individuals and the organizations I have referred to will feel that they are not called upon to co-operate with lotteries in support of our hospitals.

In any town where there is a hospital you will find a hospital board, and in addition an organization called the women's auxiliary, whose members work and sacrifice continuously. I am of the opinion that the ardour of such good people will be greatly damped if we adopt lotteries as means of maintaining institutions to which we ourselves, as just citizens of this country, ought to give direct assistance.

For these reasons I cannot support this Bill. I have no apologies to make for opposing it. I would rather give three times as much as I have given in the past than have the world think that our zeal in a good cause has to be bolstered up by a system of gambling.

Hon. GEORGE LYNCH-STANTON: The right honourable gentleman who has just taken his seat has advanced some very cogent reasons for voting against this Bill, but one of them, I think, has no basis whatever. He states that if this Bill passes, the public, for one reason or another, will be discouraged from contributing to the support of hospitals. My experience leads me to believe the public do not contribute to the support of hospitals. I thought that hospitals were generally maintained by taxes, as city hospitals are, and that if the Government were to take away its support not a hospital in the country would survive. I have never heard of any general contribution to hospitals by the citizens of the country.

Right Hon. Mr. GRAHAM: Maybe the honourable gentleman has not been at home.

Hon. Mr. LYNCH-STANTON: In some places there are people who give constantly to the support of hospitals, but such cases are very rare. The hospitals receive as little support as any institution in the country that I know of, and it seems to me that if this Bill becomes law a great deal more money will be gained for the hospitals than comes from private sources.

Hon. Mr. CASGRAIN: I would remind the honourable gentleman that the amusement tax on cinemas and shows of all kinds—and some

of them are spicy shows too—goes to the hospitals, and that they are glad to get the money.

Hon. J. McCORMICK: Honourable members, I feel very strongly in this matter, and think that I should give my reasons for opposing the Bill. It has been said by the honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton) that unless this Bill or something like it goes into operation the hospitals of the country cannot be supported. Down in my county of Cape Breton we have six hospitals—one in the town I come from, one in North Sydney, two in Sydney, and two in Glace Bay. Probably the employment situation down there and the conditions surrounding the securing of funds for hospitals or similar purposes have been as difficult as anywhere else. For the last three years the maximum of employment has been three or four days a week in the summer, and one or two days a week in the winter. Nevertheless the hospitals there are still carrying on, although there are not many wealthy people in the community and the contributions come largely from the ordinary people.

The right honourable gentleman from Eganville (Right Hon. Mr. Graham) has referred to the women in these communities. In Sydney Mines we have had a hospital since 1907. I have been a member of the board of trustees since that time, and I may tell you that the linens and bedding required for renewal purposes in that hospital are obtained from the contributions of the people. If the hospitals in my county, under the conditions I have mentioned, are able to continue their benefits to the public, I cannot in the least understand why the hospitals in communities like Vancouver and the rich city of Victoria should be experiencing difficulties. The sentiment of the people there, if they do not assist in supporting such laudable institutions, must be very different from that of the people in my part of the country.

Perhaps I should say that an honourable gentleman on the other side of the House who had to leave asked me to pair with him on this vote; but even though I cannot vote I think it is my duty to give my reasons for opposing the Bill.

Hon. G. PARENT: Honourable gentlemen, with reference to the remark of the honourable member from King's (Hon. Mr. Hughes) that if I read the Bible oftener it would possibly bring me to his views, I desire to say a word or two of explanation. When this Bill was referred to the Committee on Private Bills everyone knew, I think, what the situation was, and what was going to be done

with the Bill. But I had views of my own. I expected that we should have a chance of examining it for the purpose of discovering good reasons either to support or to defeat it. From the remarks of those supporting the Bill I had received the impression that it was worth while considering the advisability of drawing from the people a little loose money for hospitals or other charitable purposes. For this reason I voted for the second reading, although it was my humble opinion that the Bill was badly drafted, and opened the door to such things as my honourable friend from King's (Hon. Mr. Hughes) has mentioned. For instance, under the Bill as presented, every province would have the right to establish a lottery at any time, and if one province did that and offered a certain prize, and another province immediately offered a more attractive prize, and so on, where would it end? We should then have pure gambling, a thing that surely appeals to nobody. Consequently the Bill was objectionable to me. But I thought that as a result of our deliberations in the committee we might be able to offer to the Senate and the Dominion something that would be acceptable. Apparently we have not been able to do that. It would be all very well to devise, if we could, some means of raising money for charity or hospitals—I prefer the word "charity"—through some such scheme as is proposed here, provided there would not be more than one sweepstakes a year and that it would be operated by the Dominion Government. But I am absolutely opposed to legislation that would lead to competition between the various provinces in the sale of sweepstakes tickets to the Canadian people.

Hon. LAWRENCE A. WILSON: Honourable senators, I rise simply to protest against remarks that have been made here to the effect that lotteries might contaminate our people. I have bought thousands of tickets for lotteries and tombolas, issued by convents and hospitals in the Province of Quebec, and in doing so I was undoubtedly gambling in a small way. From my experience I should say that if we pass this Bill the bulk of the tickets will be purchased by Americans, who, as we all know, love gambling and the turf. They have no federal law such as the one proposed here, and I am of the opinion that nine-tenths of the money raised through the sale of these tickets would come from the United States. We should get the benefit of that money.

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Mr. WILSON: I also claim that a great number of poor people will wish to gamble. I have at my house and my country place nine servants altogether, and last week I found that eight of them had purchased Irish sweepstakes tickets at \$2.50 each, and they were all awaiting the receipt of cables to advise them of their good luck.

I will not discuss the merits or the demerits of the Bill. Some strong arguments have been put forth here this afternoon, and it is a question which view is right and which is wrong. But I see no harm in sweepstakes and I can assure you that the Province of Quebec sees no harm in them. I am quite sure that the clergy of that province see no harm in them, because they hold tombolas and drawings, for which we receive tickets all the time.

Hon. G. GORDON: With the leave of the Senate I should like to state here one specific reason why I shall vote against this Bill. I happen to be an executor of two estates which gave to a certain hospital more money than it has received from any individual, and perhaps more than from all other contributors combined, and I know that if such a law as this had been in effect before the two testators died, not one cent of their money would have gone to that hospital. If this Bill becomes law, many contemplated bequests to hospitals will be diverted elsewhere, in my opinion.

The motion for the third reading of the Bill, as amended, was agreed to on the following division:

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Honourable Senators

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Barnard	McMeans
Béland	McRae
Bénard	Murphy
Blondin (Speaker)	Planta
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Casgrain	Prévost
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Gordon	McGuire

Hon. Mr. CASGRAIN.

McLean
Meighen
Parent
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Tessier
Wilson (Rockcliffe)—24.

The Bill was read the third time, and passed.

VISITING FORCES (BRITISH COMMONWEALTH) BILL

THIRD READING

Bill 40, an Act to make provision with respect to forces of His Majesty from other parts of the British Commonwealth or from a colony when visiting the Dominion of Canada; and with respect to the exercise of command and discipline when forces of His Majesty from different parts of the Commonwealth are serving together; and with respect to the attachment of members of one such force to another such force, and with respect to deserters from such forces.—Right Hon. Mr. Meighen.

DIVORCE BILLS

THIRD READINGS

On motion of Hon. Mr. McMeans, Chairman of the Committee on Divorce, the following Bills were read the third time, and passed:

Bill R, an Act for the relief of Birdie Glickman Steinberg.

Bill S, an Act for the relief of Harry Prupas.

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

THE SENATE

Thursday, April 6, 1933.

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

Prayers and routine proceedings.

COMMITTEE ON AGRICULTURE AND FORESTRY

INCREASE IN MEMBERSHIP

Right Hon. Mr. MEIGHEN: I move that for the remainder of this session the name of Hon. Senator Pope be added to the list of members constituting the Standing Committee on Agriculture and Forestry.

The motion was agreed to.

PENITENTIARY BILL

FIRST READING

Bill 59, an Act to amend the Penitentiary Act.—Right Hon. Mr. Meighen.

PRIVATE BILL

SECOND READING

Hon. J. S. McLENNAN, for Hon. Mr. Riley, moved the second reading of Bill 47, an Act respecting the Canadian Anthracite Coal Company, Limited.

He said: The Canadian Anthracite Coal Company, Limited, was incorporated in 1886 with a paid up capital of \$1,000,000. There is a bond issue of \$506,000. After operating for a time the company got into financial difficulties. A re-organization was effected and 2,944 shares were voluntarily transferred to the company without payment. This re-organization proved satisfactory, and the company is still operating. Within the last few years the legality of this transfer has been questioned on the ground that it reduced the capitalization of the company. The Bill contains a schedule explanatory of what was done. I understand that the Department of the Secretary of State has no objection to the passage of the Bill.

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

REFERRED TO STANDING COMMITTEE

Hon. Mr. McLENNAN moved that the Bill be referred to the Standing Committee on Banking and Commerce.

Right Hon. Mr. MEIGHEN: I had expected this Bill to be referred to the Committee on Miscellaneous Private Bills. If the motion were put in that form, I would merely call attention to the main clause of the Bill, which seems to be the ratification of a contract, and suggest that the committee to which it is referred should consider the question of its constitutionality. The Bill has come from the Commons, and may have been thoroughly reviewed before being passed upon there; but if this feature has not been very carefully looked into, I think it ought to be.

The Bill was referred to the Standing Committee on Miscellaneous Private Bills.

CRIMINAL CODE (OFFENSIVE WEAPONS) BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 53, an Act to amend the Criminal Code (Offensive Weapons).

Hon. L. McMEANS: Honourable senators, I should like to point out that this Bill contains a new section, No. 118, which it is proposed to put into the Criminal Code, and which to my mind is very objectionable. It says:

Every one is guilty of an indictable offence and liable to imprisonment for not less than one year nor more than five years who, not having a permit in Form 76, has upon his person elsewhere than in his own dwelling house, shop, warehouse, counting-house, or premises, or is carrying concealed upon his person or in any vehicle under his control or of which he is an occupant, a pistol, revolver or other firearm capable of being concealed upon the person.

This means, as I read it, that any man who is in possession of a revolver or a pistol, no matter how innocently, must go to jail for one year. I think it has always been the practice to allow the magistrate or the judge who tries a criminal case to exercise a certain discretion. I can quite conceive of a man or a boy having a pistol or a revolver in his possession quite innocently, not knowing what the law is.

Hon. Mr. CASGRAIN: That is no excuse.

Hon. Mr. McMEANS: I know it is not. But it is not just that a man should go to jail for a year simply because he has a revolver in his possession. He may have picked it up on the street. It does seem to me that the penalty is exceedingly severe, and that the trial judge should have the right to exercise his discretion in the matter.

The purpose of this provision is to prevent the carrying of firearms. I quite agree that a man who is purposely carrying a concealed weapon, and who is connected with robbery or house breaking, or whose reputation is bad, should go to the penitentiary for five years. If that sort of thing is prevalent, an example must be made of someone.

One of the difficulties that I foresee is that this law is not generally known. The other day, when it was discussed in the other House, a great many of the members were astonished to discover that they were liable under the criminal law for certain things they had done. Perhaps they had given an air pistol to a boy who was under sixteen years of age. Even they did not know what the law was.

I am not urging that the carrying of concealed weapons should go unpunished, but I think some discretion should be allowed to the judge or magistrate who tries the case of a man or boy who innocently happens to have a weapon in his possession. How are the people in the north country to know about this law? I think that if the words relating to one year's imprisonment were struck out the section would accomplish the purpose. The penalty of five years in the penitentiary would remain.

Hon. Mr. CASGRAIN: The honourable gentleman seems to be well posted on this subject. Is there anything in the law to prevent people from selling firearms?

Hon. Mr. McMEANS: Oh, yes.

Hon. Mr. CASGRAIN: Second-hand dealers?

Hon. Mr. McMEANS: Oh, yes. The Act says that a dealer must have a permit; also that the purchaser must have a permit. We know very well that the man who carries a pistol or revolver with intent to use it is a criminal; but in my opinion the case of the man or boy who is in innocent possession of one of these weapons should be left to the discretion of the magistrate.

Hon. CHARLES E. TANNER: Honourable members, I think there is a good deal in what my honourable friend from Winnipeg (Hon. Mr. McMeans) has been saying. I am in favour of the principle of the Bill, and perhaps I may remind honourable gentlemen that on two occasions at least a committee of this House, under the chairmanship of the late Senator Belcourt—and of which I happened to be a member—very carefully considered this subject, and made certain suggestions which this House gave effect to, but they were treated with very scant respect by the members of the other House. It is very gratifying, therefore, to note that the members of that House have at last awakened to facts of which honourable members of the Senate were fully aware several years ago. We are glad to see them following in the footsteps of this House.

My principal object in intervening in this debate is to refer to a matter which I think is relevant. I want to remind the House of a return which came down on Tuesday last in response to a question that I asked. I inquired what was the total population of Canada, and how many of its people were aliens who had not become British subjects, and I discovered that out of a total population of 10,376,786 there were 529,139 aliens who had not become naturalized. These aliens are distributed throughout the provinces as follows:

Prince Edward Island.. . . .	605
Nova Scotia.. . . .	6,276
New Brunswick.. . . .	4,069
Quebec.. . . .	70,558
Ontario.. . . .	149,590
Manitoba.. . . .	53,686
Saskatchewan.. . . .	78,523
Alberta.. . . .	89,011
British Columbia.. . . .	76,080
The Yukon.. . . .	496
Northwest Territories.. . . .	245

Of a total of 529,139 aliens in Canada, 108,375 have come from the United States, and 420,764 from other foreign countries. I quite realize that many of these people are desirable citi-

Hon. Mr. CASGRAIN.

zens, and that probably a rather large percentage of them intend at some time to become British subjects—

Hon. Mr. GRIESBACH: To get old age pensions.

Hon. Mr. TANNER: —but there is little doubt in my own mind that many of those who are making trouble in this country to-day are included among these aliens.

I observe that the Minister of Justice stated the other day that the public generally have little knowledge and understanding of the trouble that is being caused by people who are said to be Communists. I observe also that the Government of the Province of Quebec is proposing to enact drastic legislation in order to exercise a greater control over these people.

I am not accusing all these 529,000 persons of being undesirable citizens. I am only saying that I believe many of the trouble makers are aliens, and that very few of them intend to become British subjects. I am wondering whether some system should not be adopted whereby all these people, or most of them, at any rate, would be required to register. We do not admire everything that is done in Germany, but we know that if a stranger goes into that country he has to register immediately, and that if he moves from one town to another he has to report at once to the authorities of the town into which he moves. In that way the German authorities maintain complete control over everyone who goes into their country: they know where he is, where he is going, how long he is going to stay, and what he is there for. Under the circumstances that exist in this country to-day I think it would be very wise for the Government—probably the Department of Justice—to take into consideration the advisability of having all aliens who are not applying for naturalization disclose their whereabouts, their objectives and their intentions in moving about the country. That is my principal object in intervening in this matter.

Hon. J. P. B. CASGRAIN: Honourable senators, I have in my desk somewhere a sample of a card of identification of the kind that it was suggested should be carried by all aliens. I did not know this discussion was coming up or I should have had it in my hand to show to you. It is a small card, with a space in the corner for a photograph of the bearer, and other spaces for his full name, age, place of residence and occupation. Many aliens in our country are supposed to be agents of the Soviets. The statement ap-

peared in the *Revue des Deux Mondes* lately, and has not been contradicted, that in the city of Toronto alone there are 125 men in the pay of the Armorg of New York who have no occupation other than the spreading of Soviet propaganda. It is said that there are also 240 of these propagandists on half-time; that is to say, they are employed in some ordinary occupation and in the evenings and on Sundays they work in the interest of the Soviets and are paid on a half-time basis. These agents would find it more difficult to carry on their activities if all aliens were required to carry cards of identification.

In Montreal, as we all know, there has recently been an outbreak of incendiaryism. Churches have been burnt down. Who are enticing people to do that sort of thing? I am sorry to see that some men bearing French names have been arrested on the charge of setting fire to the Church of St. Jacques, at the corner of St. Catherine and St. Denis streets. Last Sunday an attempt was made to burn St. James Cathedral on Dominion Square, the largest church in the city, and a similar attempt was made on St. Edouard's Church, on St. Denis and Beaubien streets. The St. Louis de France Church was destroyed by fire some time ago.

In 1931 I sponsored in this House a Bill to provide that aliens be required to carry cards of identification, but I received no encouragement and the measure was not passed. Under the present circumstances I think it is the business and the duty of the Government to insist that aliens be registered and identified. The right honourable leader of the House (Right Hon. Mr. Meighen) stated that there are about 500,000 aliens in the country. Well, why should not every one of them carry a card? If you go to any country in Europe you are required to have a card. As soon as a foreigner arrives in Paris he must visit the Prefect of Police and have his passport viséd. That passport contains a photograph of the bearer, who is asked how long he intends to stay in the country, and this period is recorded on the passport, which must be shown to the proprietor of the hotel where the foreigner is staying. If the foreigner does not leave within the time limit so recorded, and fails to have his passport re-viséd, the hotelkeeper is liable to a fine. But in recent years anybody at all has been allowed to come into and go out of this country at will. I think it would be a good thing for the Senate to go on record as encouraging the present Administration to require all aliens to be identified. If an alien has no known address or occupation, is he not a fit subject for deportation?

Some of these Bolsheviks are on the dole and actually being fed by the country. They are having a very bad effect on the whole population. I may say that our city of Montreal and province of Quebec are far from being free of them. They even have letters written out, which they induce some of my countrymen to sign and send to the bishop or archbishop, stating that the writer repudiates his connection with the Church. I remember that in one instance the late Cardinal Rouleau was very much exercised one day when he received a letter of that kind. He sent for someone who was with me, and showed him the card, but my friend said, "I should not be disturbed about that, Your Eminence." The Cardinal asked, "Why?" My friend replied: "Look at that word there. No French Canadian uses or knows the meaning of that word. It is evidently a letter that has been composed by the Bolsheviks, and they have paid someone to write it."

These identification cards, which would prove so very useful, would not cost much; not more than ten or fifteen cents each. Photographers could be appointed by the various municipalities. I made a similar suggestion last year and, I think, the year before, but nothing was done about it, I am sorry to say.

Hon. Mr. GORDON: Honourable members, I have a few remarks to make with respect to section 122, but if we are going into Committee of the Whole it would be, I think, more appropriate to make them there.

Right Hon. Mr. MEIGHEN: The intention is to go into Committee to-day.

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

CONSIDERED IN COMMITTEE

On motion of Right Hon. Mr. Meighen, the Senate went into Committee on the Bill.

Hon. Mr. Copp in the Chair.

Section 1—offensive weapons:

Right Hon. Mr. MEIGHEN: Honourable members, this is the section referred to by the honourable member from Winnipeg (Hon. Mr. McMeans). He objects to that part of section 1 of the Bill which provides a new section 118 of the Criminal Code. He contends that anyone who happens to be carrying a weapon concealed upon his person, without any criminal intent, could under this new section be brought before a magistrate and, if properly convicted of that offence, would have to be sentenced to a term of at least one year.

I realize the force of the honourable senator's argument, but I call his attention to what will be section 121 of the Code, if this Bill passes. This will give the Governor in Council power to suspend by proclamation the operation of the proposed new section 118 in any part of Canada for such period as he deems fit, and under it certain parts of the country, where obviously there would be no criminal intent on the part of a person carrying a concealed weapon, could be exempted from the provisions of that section. I know that that does not go far enough to meet the wishes of the honourable senator, because even in thickly populated places a man may be carrying a concealed weapon without any criminal intent whatever. Still it does relieve the incidence to a substantial extent, and meets one special requirement urged by the honourable gentleman. Paragraph b of the proposed new section 121 has a less direct, but nevertheless an important bearing upon the argument of the honourable senator from Winnipeg.

Speaking in a more general way, I presume that the word "concealed" will be interpreted to apply only to cases of concealment with criminal intent, with malice aforethought, as it were, and not to the innocent insertion of a weapon in an inside pocket. While such an insertion would render a weapon invisible, I question very much whether anyone who was guilty of nothing more than that would be convicted under this section by a magistrate. In a word, the rendering of the weapon invisible would need to be accompanied by circumstances bringing home to the responsible party the intent to prevent discovery of the weapon. It seems to me that the word "concealed" as it is used here implies as much, and in that event I do not see that the section goes too far, because apparently some minimum imprisonment must be provided.

The carrying of concealed weapons is becoming more and more general with the spread of banditry and robbery. I hope the honourable gentleman from Winnipeg will accept the observations I have made as showing that the section is relieved of some of the enormity of which he complained.

Hon. Mr. McMEANS: I would call the attention of the right honourable leader of the House to the way in which section 118 is drafted. The last part of the section provides that everyone is guilty who is carrying a concealed weapon upon his person, and two or three lines above that it says that everyone is guilty who has such a weapon "upon his person."

Right Hon. Mr. MEIGHEN.

Right Hon. Mr. MEIGHEN: That is elsewhere than in his own dwelling-house or premises.

Hon. Mr. McMEANS: There are plenty of instances where men pick up revolvers and carry them innocently. If such a man were informed against, arrested and convicted, the magistrate would have no option but to send him to jail for at least one year. Why should we not simply provide a maximum penalty of five years and leave the length of sentences within that limit to the discretion of the magistrate or judge?

Right Hon. Mr. MEIGHEN: I should like to hear from some other honourable members.

Hon. Mr. GRIESBACH: I have no objection to a maximum term of five years. Experience goes to show that a provision for severe penalties sometimes defeats the object it is hoped to achieve. The minimum penalty for a person convicted of being in charge of a motor car while under the influence of liquor is, I think, fifteen days' imprisonment, and if a magistrate convicts he has no alternative to the imposition of that penalty. Many cases have come to light in which the punishment is out of all proportion to the offence. I happen to know of one instance where a railway employee was discovered, while under the influence of liquor, sitting in a motor car which belonged to him, but which he was not driving. He was convicted and sentenced to fifteen days' imprisonment. Technically then he had a criminal record and as a result he was not only dismissed from the railway service, but lost his right to a pension. I have known of cases where the magistrate has hesitated to inflict the punishment provided by law, for the simple reason that it would lead to other penalties far more severe than the law contemplated.

It is rather difficult to conceive of a man being innocently in possession of a revolver. Perhaps the honourable senator from Winnipeg (Hon. Mr. McMeans) could tell us of some concrete or imaginary cases.

Right Hon. Mr. MEIGHEN: Suppose a man were threatened and decided to carry a weapon for his protection.

Hon. Mr. McMEANS: Suppose a young man picked up a revolver in his father's house and walked out with it in his pocket.

Hon. Mr. GRIESBACH: The law requires that if a man wishes to carry a revolver to protect himself from supposed danger, he must get a permit. Of course, I can imagine a case where a man may be threatened at two o'clock in the afternoon and be found in

possession of a revolver at three o'clock, before he has had time to get a permit. I am a little afraid of legislation like this, which, as the honourable gentleman from Winnipeg points out, deprives the magistrate of discretion. Perhaps an improvement might be made by striking out the words "less than one year nor," and leaving persons convicted under this section "liable to imprisonment for not more than five years" etc., in the discretion of the magistrate.

Right Hon. Mr. MEIGHEN: I understand the law to be that even where a minimum sentence is by law compulsorily imposable, the magistrate or judge has power to suspend sentence.

Hon. Mr. GRIESBACH: Where is that law to be found?

Right Hon. Mr. MEIGHEN: I have that on the authority of the Minister of Justice.

Right Hon. Mr. GRAHAM: I was looking for that law and could not find it.

Hon. Mr. BARNARD: I should like to ask the right honourable leader if he interprets the latter part of the proposed new section 118 to mean that it will be an offence to carry in a vehicle a firearm which is not concealed. The section says:

Everyone is guilty . . . who . . . is carrying concealed upon his person or in any vehicle under his control . . . a pistol, revolver or other firearm capable of being concealed upon the person.

Now, does that mean a weapon which is concealed in any vehicle?

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. BARNARD: It looks to me as if under a strict interpretation of that section a man who was carrying a shotgun openly in a vehicle would be guilty of an offence.

Right Hon. Mr. MEIGHEN: I think the weapon must be concealed, whether upon the owner's person or in the vehicle under his control, to bring him within the last part of section 118. In the first part of the section, as the honourable senator from Winnipeg (Hon. Mr. McMeans) points out, concealment is not an ingredient of the offence. If he merely has the revolver upon his person at a time when he is not in his "own dwelling house, shop, warehouse, counting-house, or premises," then he is guilty.

Hon. Mr. BARNARD: Would it not clear away all doubt to add after "upon the person" the words "or concealed in any vehicle"?

Right Hon. Mr. MEIGHEN: That would remove any doubt.

Right Hon. Mr. GRAHAM: I am not speaking as a lawyer, but I think it is a sound principle of legislation that a too drastic law defeats itself. If this Bill is enacted in its present form, a magistrate, being convinced that the person before him, accused of carrying concealed weapons, had no thought of wrongdoing, is more likely to discharge the accused than to find him guilty and impose a sentence of "not less than one year or more than five years." I have always contended that many a man charged with murder would have been found guilty by the jury but for the fact that they knew such a verdict would inevitably involve a sentence of death. I am convinced that if you deprive the magistrate of all discretion in dealing with cases that may arise under this measure, the law will be too stringent and its purpose will be defeated.

Right Hon. Mr. MEIGHEN: I do not find that the point was discussed before the Bill reached this House. I would suggest that the Committee rise and report progress, for I should like to give some further consideration to it. Were the minimum penalty a month, I should have no doubt as to its reasonableness, but it is a serious matter to make it compulsory on the part of the magistrate to impose a minimum sentence of twelve months' imprisonment. As the right honourable senator from Eganville (Right Hon. Mr. Graham) has said, such a drastic law would probably result in acquittals in all cases where the magistrate did not find it in his conscience to sentence the accused to jail.

Hon. Mr. GORDON: It has been suggested to me that this case might arise under section 122. Two men participate in an armed robbery. One has upon his person a concealed weapon; the other has an ordinary rifle, and actually holds up the victim. Would the section apply to the man with the rifle?

Hon. Mr. McMEANS: The section says, "or any firearm." Surely a rifle is a firearm.

Hon. Mr. GORDON: Section 122 reads as follows:

Every one who has upon his person a pistol, revolver or any firearm capable of being concealed—

That is the point. A rifle is not capable of being concealed.

—on the person while committing any criminal offence of which he is convicted, shall receive a sentence of two years in addition to the sentence imposed in respect of the offence aforesaid of which he is convicted.

In the case I have mentioned, on conviction would the man who had the concealed weapon

upon his person get two years more than the man who had the rifle?

Right Hon. Mr. MEIGHEN: Yes, for the reason that the man who had the rifle had given visible warning to the authorities during the whole length of his journey to the scene of the robbery. He had shown right in the open what weapon he carried, and anyone who cared could have taken into account the fact that that man was carrying a rifle. This section is intended to get at the fellow who conceals his weapon, and who therefore may be considered to be intent on committing a much more serious offence than the fellow who parades the streets with a rifle in his hand.

Hon. Mr. GORDON: We will suppose these two men are in an automobile, and the rifle is concealed—it is not seen.

Right Hon. Mr. MEIGHEN: Then the owner is guilty under section 118, because a rifle is capable of being concealed in an automobile.

Hon. Mr. GRIESBACH: The section says, "capable of being concealed upon the person."

Right Hon. Mr. MEIGHEN: Then he is not guilty under section 118.

Hon. Mr. GORDON: In that case, on conviction, the man who had the revolver gets two years more than the man who had the rifle?

Right Hon. Mr. MEIGHEN: The judge can adjust the sentences. The purpose of this section is to get at the man who is concealing his weapon.

Hon. Mr. GORDON: Then, am I to understand that the man carrying the rifle may get as long a sentence as the other fellow?

Right Hon. Mr. MEIGHEN: Yes. The judge would be able to adjust it, if he thought fit.

Hon. Mr. GRIESBACH: I think the honourable senator from Nipissing (Hon. Mr. Gordon) would have made out a better case if he had referred to a man carrying a sawed-off shotgun, for such a man is the worst kind of potential killer. I wonder if he would be dealt with under section 118.

Right Hon. Mr. MEIGHEN: If he could conceal his weapon.

Hon. Mr. GRIESBACH: It could be concealed in his overcoat.

Right Hon. Mr. MEIGHEN: Then he is liable.

Progress was reported.

Hon. Mr. GORDON.

PRIVATE BILL

SECOND READING

Hon. W. A. GRIESBACH moved the second reading of Bill 49, an Act respecting a certain patent application of Fred Charles Fantz.

Hon. Mr. SHARPE: Explain.

Hon. Mr. GRIESBACH: It has been recently discovered that some years ago someone omitted to pay a patent fee of \$20. The passing of this Bill is desired in order to restore the patent. The Bill carries the usual safeguarding clause, and I am satisfied that the Standing Committee on Private Bills could deal with this measure most effectively.

Hon. Mr. SHARPE: What does the patent cover?

Hon. Mr. GRIESBACH: It has to do with return bends.

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

ROYAL CANADIAN MOUNTED POLICE BILL

MOTION FOR SECOND READING—DEBATE ADJOURNED

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill 58, an Act to amend the Royal Canadian Mounted Police Act.

Right Hon. Mr. GRAHAM: What is the purpose of the Bill?

Right Hon. Mr. MEIGHEN: Its purpose is to deal with the funds received from several of the provinces by virtue of agreements made between them and the Dominion for the services of the Royal Canadian Mounted Police in place of the provincial police. The moneys are received twice a year and amount annually to about \$800,000. The Bill provides that as these moneys come in they may be utilized for the support of the Royal Canadian Mounted Police. Difficulty has arisen as to the use of these moneys before they have taken their place in the Consolidated Revenue Fund and become immediately subject to specific votes. This is the main feature of the Bill. It enables funds which are obtained for the services of the Royal Canadian Mounted Police to be used for the purposes of the force. Provision is also made for the disposition of the proceeds of all forfeitures in the hands of members of the force.

Right Hon. Mr. GRAHAM: What proportion do the provinces pay?

Right Hon. Mr. MEIGHEN: Apparently it depends upon the extent of the services. The

several agreements require the following payments: from Alberta, \$225,000; from Saskatchewan, \$175,000; from Manitoba, \$125,000; from Nova Scotia, \$150,000; from New Brunswick, \$100,000, and from Prince Edward Island, \$15,000. Those are the receipts referred to in the Bill.

Right Hon. Mr. GRAHAM: This Bill, as described by the right honourable leader of the House (Right Hon. Mr. Meighen), is to obviate the necessity of asking Parliament to vote certain sums before they are expended?

Right Hon. Mr. MEIGHEN: I presume that must be the purpose. I have read the discussion in the other House, and it is none too clarifying. The vote of Parliament is necessary in order that the fees as they come in may be expended.

Right Hon. Mr. GRAHAM: That would be my understanding of the Bill. The situation has changed very rapidly. At one time the Mounted Police force was under the Defence Department and I was wrongfully the head of it, for the force should not have been under that department. Subsequently it was placed under the authority of the Justice Department. In deference to the demands of the provincial authorities, who objected strongly to the number of Mounted Police in their territory, the force was considerably reduced. I did not agree with the attitude of the provinces at the time, because I always had a very high opinion of the efficiency of the Mounted Police. Of late years there has been a change of sentiment, and at the request of the provincial authorities the Mounted Police have very largely taken over the work of the provincial police. For instance, in the city of Montreal the Mounted Police to-day are to a marked degree discharging the duties that it seems to me should be discharged by the city police force.

Is this proposed legislation another indication of the tendency that under present conditions is growing up, to lay upon the shoulders of the Dominion many burdens that we used to think should be borne by the provinces and municipalities?

Right Hon. Mr. MEIGHEN: I do not think so. I think the provincial authorities pay in full for what they get.

Right Hon. Mr. GRAHAM: I have referred to the change in sentiment. To-day it is generally conceded that the Mounted Police are doing very good work and are a great aid to the provincial authorities. I am strongly of the opinion that the provinces should pay in full for such aid, and that the federal authority, no matter what legislation may be en-

acted, should not be drawn into paying further bills that under the constitution are a charge upon the provinces.

Hon. Mr. GRIESBACH: I think the right honourable gentleman is under some misapprehension as to the exact situation. Primarily the duty of the Royal Canadian Mounted Police is to enforce federal legislation throughout the whole Dominion.

Right Hon. Mr. GRAHAM: Is that not the duty of the provinces?

Hon. Mr. GRIESBACH: No. The provinces enforce the criminal law, but apart from that federal statutes are enforced by the Mounted Police. I refer to the enforcement of legislation with respect to smuggling, traffic in narcotic drugs, immigration, and naturalization, as fully set out in the Mounted Police report.

In 1917 the Mounted Police fell away in strength, and the Federal Government called upon the Government of Alberta to police the province. Prior to that time, from the early days, the Mounted Police had been policing the Province of Alberta. In 1917 that province established its own police force, and the Mounted Police withdrew from the enforcement of the criminal law and the statutes of Alberta. To-day they enforce the criminal law and provincial statutes only in those provinces which have entered into agreements for that purpose with the Federal Government. Such agreements now exist between the Federal Government and the provinces of Alberta, Saskatchewan and Manitoba, and the three Maritime Provinces. In Ontario, Quebec and British Columbia the Mounted Police are engaged in enforcing only federal statutes, and have nothing to do with provincial or municipal policing. They do, however, maintain reserves. In the Province of British Columbia they have, if my recollection serves me, some 350 men. Vancouver being a seaport town, and regard being had for public security, a large body of men is kept there.

Hon. Mr. FORKE: I rise with a good deal of hesitation to ask whether it is specified in this Bill where the money that is paid by the provinces is to go.

Right Hon. Mr. MEIGHEN: Oh, yes.

Hon. Mr. FORKE: I thought it had been the practice for it to go into the Consolidated Revenue Fund.

Right Hon. Mr. MEIGHEN: That has been the practice.

Hon. Mr. FORKE: I understand that during the debate in the other House the Minister

of Justice said there was authority in the statute with regard to peace, order and good government, for using that money for the enlargement of the Mounted Police force and that he withdrew the clause from this Bill.

Right Hon. Mr. MEIGHEN: I do not quite agree with the honourable senator. The honourable gentleman behind me (Hon. Mr. Griesbach) rather confuses me. He seems to insist that the Bill which I have is different from his. In my copy the explanation, which I gave in fuller terms, appears on the right hand page. Apparently I have a more modern explanation sheet than is appended to the Bill that other honourable gentlemen have. I will read the explanation:

Section 5 of the Royal Canadian Mounted Police Act, as amended by section 1 of chapter 11 of the statutes of 1931, at present reads as follows:—

"5. (a) The Governor in Council may, from time to time, enter into arrangements with the Government of any province of Canada for the use or employment of the Force, or any portion thereof, in aiding the administration of justice in such province, and in carrying into effect the laws of the legislature thereof; and may, in any such arrangement, agree upon and determine the amount of money which shall be paid by the province for such services of the Force.

"(2) There may be included in any such arrangement provisions for the taking over by the Royal Canadian Mounted Police Force of such officers and men of any provincial Police Force as may be required and for the extension to such officers and men of the pension benefits provided for officers and constables of the Royal Canadian Mounted Police Force, upon such terms and conditions, including recognition of prior service, as may be approved by the Governor in Council and agreed upon between the Dominion Government and the Government of any province."

The purpose of the amendment is to empower the Governor in Council, in case of emergency or other special circumstance, to authorize the utilization of the moneys in question—

the "moneys in question" being the moneys which come in from the provinces by virtue of the contracts—

—for the use of the Royal Canadian Mounted Police.

In conformity with what I sought to explain, it is stated here that this is to enable these moneys to be used in case of emergency or other special circumstance before specific authorization is given by Parliament.

Hon. Mr. GRIESBACH: Is it not also a fact that the moneys received by the Federal Government go to the Receiver General?

Right Hon. Mr. MEIGHEN: I think the Consolidated Revenue Act provides for that.

Hon. Mr. FORKE: I have the report of the debate that took place when the Minister

Hon. Mr. FORKE.

of Justice withdrew that clause authorizing the use of the money for the Royal Canadian Mounted Police, because it had been made plain that there was sufficient authority under the peace, order and good government legislation.

Right Hon. Mr. MEIGHEN: If the honourable gentleman is certain of that, I think we should defer further consideration of this Bill.

Hon. Mr. FORKE: I can only repeat what I have said.

Hon. Mr. GRIESBACH: I think there is something wrong.

Right Hon. Mr. MEIGHEN: As the honourable gentleman from Brandon (Hon. Mr. Forke) insists that the Bill which I have is not the Bill as finally adopted by the other House, I would ask someone to move the adjournment of the debate.

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

ABITIBI POWER DEVELOPMENT

QUESTION OF PRIVILEGE

Hon. E. S. LITTLE: Honourable members, I rise to a question of privilege. Most of you, I presume, have seen the Canadian Press dispatch—

Hon. Mr. McMEANS: Is the honourable gentleman rising to a question of privilege right in the midst of the business of the House? I should think he would wait until the Order Paper was cleared.

DIVORCE BILL

FIRST READING

Bill T, an Act for the relief of Olga Shidlowskaya Lowrey.—Hon. Mr. McMeans.

ABITIBI POWER DEVELOPMENT

QUESTION OF PRIVILEGE

Hon. Mr. LITTLE: Honourable members, I now rise to two questions of privilege, and would call the attention of the honourable senator from Winnipeg (Hon. Mr. McMeans) to rule 41, which is at page 18 of the Rules of the Senate, and which I need not read.

The matter to which I intended to draw the attention of the House is one which has probably come to the notice of most, if not all, honourable members earlier in the day, through a Canadian Press dispatch. I have in my hand the Montreal Gazette of this date. The dispatch refers to the probable probe into the Abitibi purchase by the On-

tario Government, and mentions the name of the right honourable the leader of this House. I feel that it is due not only to the right honourable gentleman himself, but also to this House, that he should be allowed to give an explanation. In calling his attention to this matter I think I may claim that it is not done with any desire whatever to embarrass the right honourable gentleman. I think he knows the high regard in which I hold him. I rise merely to bring the matter to the attention of the Senate in order that both the right honourable gentleman and the Senate itself may be put in a proper light.

Right Hon. ARTHUR MEIGHEN: Honourable members, I do not resent in the least the remarks of the honourable senator from London (Hon. Mr. Little) on the question of privilege which he has raised, nor the fact that he has taken occasion to make them. On the contrary, I am so far from resenting what he has said that I think I should express appreciation of the terms in which he introduced the subject and put his question to me.

Honourable members, no doubt, have read much in late weeks of subjects that circle around the Government of Ontario and the Hydro-Electric Power Commission of Ontario, in regard to which there has been considerable discussion involving my name, in a measure, for some weeks past. Ordinarily, on a matter such as this, in which my own conduct as a public servant is called in question, I should like my position to be put before the public generally, and particularly before this House, of which I am a member, with that care and accuracy which verbal preparation alone can ensure. But, as the subject is now launched, I do not think I should delay a moment in making such a statement as will constitute a reasonably complete exposition of the question put before me by the honourable senator from London. Before going further let me say it is appropriate that this body should be the first to be addressed on any question affecting the integrity or reputation of one of its members. I know that if a subject of this kind had to do with any other honourable member he would feel, as I do, that it was more manly to have it brought up in his presence, where he would be on a level with his accuser, or at all events his questioner, than to have this done behind the privileged doors of another assembly, where he had not a very good opportunity to test its merits on the spot.

The subject dates from a considerable distance back, and I am in some doubt as to just how far it is necessary to go to make the history of the principles in-

involved sufficiently clear, and their application sufficiently definite.

The Ontario Power Service Corporation was incorporated by the Abitibi Company some years ago, probably about 1929, and all its stock was owned, as I understand, by that company. It was incorporated for the purpose of developing power at the Abitibi Canyon by an expenditure of a large amount of money, and the Hydro-Electric Power Commission, long before I was a member thereof, made a contract for the taking of a certain quantity of its product—88,000 horse-power the first year, that is, 1932, with an increase of 3,000 each year for three or four years, until a total of 100,000 horse-power was reached. This contract was made on the responsibility, not of the Hydro-Electric Power Commission, but of the Government of the province, because of the view of that Government that the project was a useful and desirable one, was worthy of encouragement, and necessary for the development of Northern Ontario. I emphasize that from the commencement, in so far as the public of Ontario had any connection with the enterprise, it was not through any commission of any kind, but through those who alone could represent the people—the Government of that province. The responsibility was entirely theirs, and the method of co-operation was theirs.

I became a member of the Hydro-Electric Power Commission in June of 1931. The contract had been made, I think, approximately a year and a half before. From the time I became a member of the Commission, in the month of June, 1931, up till now, there never has been a single moment when any matter affecting the securities of that company were in the slightest or remotest degree within the discretion or the disposition of the Hydro-Electric Power Commission of Ontario. I hope honourable members will appreciate the whole meaning and significance of that sentence, for by the effect embraced in, and indeed constituting the whole meaning of, that sentence, the entire issue is to be judged. There never was a time when under any rule ever applied, or, so far as I know, ever suggested, in British or Canadian public life—or in the public life of any civilized land—there was any restriction imposed on me, either personally or in any capacity, because of my membership in the Hydro-Electric Commission, in purchasing any of the securities of the Ontario Power Service Company.

The matter was first brought to public attention by a question in the Ontario Legislature. Quite evidently the purpose of the question was to impute to me some misconduct

because of my membership in that Commission. I immediately intimated to the Premier of the province that the companies with which I had some connection—being chairman of the boards and associated with the management of three of them, all mentioned in the question to which I have referred—were as free as any companies in Canada to purchase those securities at any time. I further stated that if any misconduct was attributed to me I desired that he immediately promise to anyone alleging such misconduct the fullest investigation without a moment's delay, and undertook that I would be present immediately on the morn of the opening of that investigation.

Some speeches were made afterwards, and they resulted in a repetition of the request on my part. Subsequently a statement was made in the Legislature by the Premier of the province, a full text of which statement I have not been able to read or to obtain. I feel that some other matters beyond those embraced within the statement so far as reported are worthy of being called to the attention of this House, and I shall speak of them now. In commencing to do so I want to repeat that I occupied no fiduciary relationship whatever with respect to any of the securities of the company or to the company itself, nor was I ever in a position to obtain, nor did I ever obtain, any information whatever relative to the company or its bond issue that was not available at the same time to all the public of this or any other country. In so far as the project was other than a purely private project, it was an affair of the Government of Ontario and not of the Hydro-Electric Power Commission.

Parenthetically, perhaps I should say that the Hydro-Electric Power Commission of Ontario is not only distinct from, but it does not act as trustee of, the Government of that province. It acts as trustee of the owners of the properties which it manages, those owners being the municipalities embraced within its system. Appointments to the Commission are made by the Government because the Government has acted as banker, and only as banker, in providing the funds for the purchase of properties and, in the initial stages, for necessary financing. These funds are being repaid from time to time and the Commission is amply able to make the repayments as they become due. The Commission is completely distinct from and independent of, and is not in any sense whatever, any department of government.

As the project was nearing completion in the spring of 1932, the Abitibi Company, the

Right Hon. Mr. MEIGHEN.

parent company, which had by contract undertaken to supply the rest of the funds necessary to the completion, found itself unable to comply with requirements embodied in that obligation. The Government of Ontario, as a matter of policy—the merits of which are no concern at all in the present issue, and the good faith and wisdom of which I not only cast no aspersion on, but, were it proper at this time to do so, I think I should be able to commend—in the exercise of its discretion, and its alone, decided to intervene in the enterprise, to make it a governmental enterprise rather than permit it to fall into the hands of others. The idea of the members of the Government doubtless was that it was their duty to see to it that no power monopoly was established in Northern Ontario. They set themselves the task of negotiating for the purchase of bonds as a preliminary and essential step to the acquirement of the property. That was the responsibility of the Administration; it was in no sense, in no degree and in no way whatever, however remote, the responsibility of the Hydro-Electric Power Commission. Negotiations then proceeded between the Government of Ontario, on the one hand, and on the other certain representatives of the bondholders, in the choice of whom neither I nor any one of our companies was even requested to express an opinion. How anyone could imagine—I mean, in good faith—that I would be a party to the negotiations, I am at a loss to understand. Not only was I not a party, but I had no knowledge whatever, beyond what was given to the public through the press, of the progress of those negotiations.

Those negotiations were concluded, I think, towards the end of July or the beginning of August, and the terms were announced and made known to the public. After this public announcement was made, and when any person who desired to do so could, by merely making an actuarial calculation, determine the value of the securities which were to be exchanged for new securities, the Government of the Province of Ontario asked the Hydro-Electric Power Commission to be its agent in the acquirement of the property, but wholly on the responsibility, present and ultimate, of the Government of Ontario. In a word, the Commission became a conduit pipe after the determination of the value. But neither before nor after that determination did the Commission ever have the slightest discretion, or ever approach the point where it would have a discretion, the exercise of which would affect the value of the securities in any way at all. We had a contract which was entered

into some years before and had to be obeyed and lived up to, just as the Government of Canada has to live up to its obligations to pay its Victory bonds, but we were never in any area where there was any discretion that could come before us, nor have we ever since been in any such area. I mean a discretion affecting the value of the bonds.

I think I have gone far enough to show that there was no discretion within the ambit of the Hydro-Electric Power Commission, that there was no information whatever within my reach which was not available to everybody, that I was in no fiduciary position at all with relation to the securities, and finally that the whole enterprise, above and beyond its purely private purposes on the part of the Abitibi Company, was the affair of the Government of the Province of Ontario and of no other man or body whatever.

I do not think that honourable members of this House would wish to be accused of holding an opinion that it is per se reprehensible to purchase and pay good money for securities of a Canadian company engaged in a legitimate and important business. There may be circumstances under which a person holding public office should not make such a purchase, or, if he does, should not continue to hold such securities, but such circumstances could arise only when by virtue of his office he was in a position to exercise some discretion or to take some action affecting the value of the property he held.

It may be worth while—though by no means relevant—to add that neither myself nor the companies referred to in this statement made on the whole more than the return of the money invested and reasonable interest. My share in the companies was a fraction of one per cent.

I have lived among my colleagues here and taken part in the public life of this country for very many years. I do not think that an accusation involving wrongdoing has been hurled at me, even indirectly, and certainly it has not been by anyone associated with me on the side of the House on which I happened to sit, or the other. And if there is at this moment one thing in which I can take some pleasure it is the fact that he who has specially taken it upon himself to play the role of accuser in the present case is not one whom I know personally at all. From the first intimation of this matter I have been ready, and more than ready, to submit my conduct to any tribunal that may be chosen, to be judged by the best standards of British public service—by its severest standards, if you will—and before that tribunal I shall rejoice to meet my accuser.

The Senate adjourned until Monday, April 10, at 8 p.m.

THE SENATE

Monday, April 10, 1933.

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

Prayers and routine proceedings.

PRIVATE BILLS

FIRST READINGS

Bill 42, an Act respecting the Algoma Central and Hudson Bay Railway Company.—Hon. Mr. Gordon.

Bill 56, an Act respecting the Nipissing Central Railway Company.—Hon. Mr. Gordon.

CRIMINAL CODE (OFFENSIVE WEAPONS) BILL

FURTHER CONSIDERED IN COMMITTEE

The Senate again went into Committee on Bill 53, an Act to amend the Criminal Code (Offensive Weapons).—Right Hon. Mr. Meighen.

Hon. Mr. McLennan in the Chair.

On section 1, new section 118—having or carrying a pistol or revolver without a permit:

Right Hon. Mr. MEIGHEN: Honourable members, at the last sitting the Committee deliberately rose and reported progress because of the objection raised by the honourable senator from Winnipeg (Hon. Mr. McMeans), strongly supported by the right honourable gentleman from Eganville (Right Hon. Mr. Graham), to the minimum penalties which are fixed in this Bill for the two major offences. I have since been able to give consideration to these objections. The argument supporting them strikes me as very forcible indeed, and I am prepared to accept an amendment striking out the minimum penalty and leaving the extent of the penalty, subject to the maximum, wholly in the discretion of the court.

Hon. Mr. DANDURAND: After reading the discussion on this clause I thought that such an amendment as is now suggested would perhaps be advisable; so I fully agree with my right honourable friend's proposal. I do not suppose he will move it. I would, however, suggest this phraseology:

Every one is guilty of an indictable offence and liable to imprisonment for a term not exceeding five years. . . .

Right Hon. Mr. MEIGHEN: Leaving out the words "not less than one year"?

Hon. Mr. LYNCH-STANTON: I move to strike out the words "less than one year nor."

Right Hon. Mr. MEIGHEN: Is not the suggestion of the honourable gentleman opposite (Hon. Mr. Dandurand) rather better? It is, as I understand it, to strike out the words "not less than one year nor more than," and to substitute the words "a term not exceeding."

The CHAIRMAN: It is moved and seconded that the words "not less than one year nor more than" be struck out, and the words "a term not exceeding five years" be substituted.

The proposed amendment was agreed to.

Hon. Mr. LYNCH-STAUTON: Now, I wish to call attention to the word "concealed" in line 13. The Bill says the penalty may be imposed against a person who is carrying "concealed upon his person or in any vehicle under his control or of which he is an occupant, a pistol, revolver or other firearm capable of being concealed upon the person." In the first place, so far as that section is concerned, a man could quite lawfully carry a revolver at night. There is no need to conceal it then. Furthermore, there is many a revolver—I have one myself—which can be almost covered by the hand.

Hon. Mr. CASGRAIN: That is a peashooter.

Hon. Mr. LYNCH-STAUTON: The clause should read, "carrying upon his person or in any vehicle under his control or of which he is an occupant, a pistol, revolver or other firearm capable of being concealed upon the person." I submit that that is the only proper way to amend this section. Most people who carry revolvers carry them at night. A man could walk along the street in the daytime carrying a revolver in his hand. The weapon is so small that nobody would notice it. He could carry it with the barrel in his hand and the rest of it up his sleeve, and it would not be "concealed." The word "concealed" will be construed by the courts as applying to a revolver that is out of sight, and not to a revolver that by a careful look could be seen. I think that the whole section is rendered nugatory by the insertion of the word "concealed." The Act is predicated upon the assumption that the carrying of lethal weapons without a permit is objectionable and should be discouraged and prevented. Now, no person should have the right to carry a revolver or any weapon which is capable of being concealed, unless he has a permit. I therefore move that the word "concealed" in line 13 of page 1 of the Bill be stricken out.

Hon. Mr. LYNCH-STAUTON.

Hon. Mr. DANDURAND: But my honourable friend will surely go further, because the essence of the section as drafted bears on concealment. The last words of the section are "revolver or other firearm capable of being concealed upon the person." My honourable friend asks, "Why should we allow anyone to carry a firearm, concealed or not concealed, without a permit?"

Hon. Mr. LYNCH-STAUTON: I did not say "firearm," because I noticed from the discussion in another place that the intention was to have this section apply only to weapons capable of concealment upon the person, and that a sawed-off shotgun was included in that class. Burglars and hold-up men do not go around with rifles and long guns. As the section is aimed at small weapons, I thought we should make it wide enough to prevent the carrying, without a permit, of any weapon which could be concealed on the person.

Hon. Mr. DANDURAND: Does the honourable gentleman claim that the words "or other firearm capable of being concealed upon the person" refer distinctly to a small pistol or revolver?

Hon. Mr. LYNCH-STAUTON: That is the way they were construed in another place, and that seems to me to be the correct construction. I think that if my amendment were adopted the section would cover all the small weapons that can be successfully concealed upon the person.

Hon. Mr. CASGRAIN: I will second the motion to strike out the word "concealed," because the section would be much better without it. But the discussion should not be confined to the revolver, for there are many other small weapons that a man can be laid out with, such as daggers or brass knuckles.

Right Hon. Mr. MEIGHEN: I should like to hear a little discussion before the amendment is put. It seems to me that if the amendment were carried it would be easier to obtain a conviction in cases where convictions should be obtained. And inasmuch as the minimum penalty is abolished, a great deal of the objection to the scope of the section is overcome.

Hon. Mr. LYNCH-STAUTON: Does the right honourable gentleman approve of the proposed amendment?

Right Hon. Mr. MEIGHEN: I am inclined to, but I should like to hear more discussion.

Hon. Mr. GRIESBACH: I know that these sections have been pretty carefully prepared, and that the Mounted Police have had to do with them. In the past the policy has been to legislate against concealed weapons.

Right Hon. Mr. MEIGHEN: Would not any weapon be concealed on a dark night?

Hon. Mr. GRIESBACH: It might be. But the whole policy of Parliament has been to legislate against concealed weapons. The word "concealed" has always added a sinister significance to the charge of carrying. I am not prepared to argue with the honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton) as to the legal effect of the section in its present form; I desire merely to suggest that we should proceed cautiously before we strike out a word which I know is vital in this whole matter.

Hon. Mr. LYNCH-STAUNTON: I can tell the honourable gentleman of a case that happened in the United States where there was a law like this against the carrying of concealed weapons. A gang of mountaineers, each armed with pistols that hung from a rope around his body, came into a city. They did no harm, but in any event the law could not get at them for the offence of carrying the weapons, for there was no concealment; the butts were sticking out in plain view. It seems to me that the object here is to prevent the carrying of weapons by persons who are not authorized to carry them.

Hon. Sir ALLEN AYLESWORTH: Mr. Chairman, on reading the debate of last Thursday on this clause it occurred to me to suggest that possibly a redrafting of the section in two parts might help to remove any doubt as to the meaning intended. Suppose it read in this way:

Every one is guilty of an indictable offence and liable to imprisonment for not more than five years who, not having a permit in Form 76,

(a) has upon his person elsewhere than in his own dwelling house, shop, warehouse, counting-house, or premises—

—and then go to the end of the section—

—a pistol, revolver or other firearm capable of being concealed upon the person; or

(b) who is carrying concealed upon his person or in any vehicle under his control or of which he is an occupant, a pistol, revolver or other firearm—

etc. The word "concealed" might be repeated before the words "in any vehicle," if concealment in the vehicle is what is being struck at. By a division of the clause into those two parts there would be distinct offences and each would be unmistakable.

Right Hon. Mr. MEIGHEN: I will ask the honourable gentleman from North York (Hon. Sir Allen Aylesworth) to draft the section just as he would have it read. Then it would be very easy to strike out the word "concealed" if we desired to do so. I hope the Committee will come to the conclusion that it should be struck out. In the meantime I suggest that we pass to the next section.

New section 118, as amended, stands.

On new section 119—dangerous weapons:

Hon. Mr. LYNCH-STAUNTON: Let me direct the attention of honourable members to paragraph b:

being an alien, has in his possession any shot gun, rifle or other such firearm or any ammunition for any such firearm without having a permit in Form 76B.

A large number of Americans come into Ontario and Quebec during the shooting season and bring their guns with them. The railway people inform me that this provision will embarrass the transportation companies and the incoming alien, unless it is specifically provided that he may obtain his permit from the Customs Officer at the point of entry.

I desire to raise another point. I have a good many American friends, sportsmen, who have interests in shooting clubs and go north every year for the shooting season. One of them has lived in Canada for thirty years. I do not see why they should be discriminated against because they have not taken out naturalization papers. I submit that an American resident in this country should be on the same footing as a Canadian citizen in regard to carrying firearms for sporting purposes. It seems to me that every man who has taken out a hunting licence should be entitled to a free permit to carry firearms. There is no reason why an alien should be discriminated against in this particular. We all know there are large numbers of respectable, trustworthy aliens resident in this country.

Hon. Mr. GRIESBACH: The honourable member from Hamilton (Hon. Mr. Lynch-Staunton) objects to an alien sportsman being compelled to secure a permit. Section 120 provides that permits may be granted by the Commissioner of the Royal Canadian Mounted Police, or any officer thereof duly authorized by the Commissioner, or any person authorized by the Attorney-General of any province.

Hon. Mr. LYNCH-STAUNTON: Section 120 does not cover this particular permit.

Hon. Mr. GRIESBACH: It covers all permits. The granting of a permit for sporting purposes is under provincial jurisdiction, and

if a sportsman desires to enter a province to shoot game, he is bound to ascertain the terms under which he may do so. By section 120 any person so authorized by the Attorney-General of any province may issue permits, and these permits, I submit, cover the case in question. I cannot follow my honourable friend in his contention that it is sound law to permit foreigners to carry firearms. Recently there was laid on the Table a return showing that there are more than 529,000 aliens in this country. It is all-important in the interest of peace, order and good government that those aliens shall not carry firearms. No police officer would approve of the proposal that they should be exempted from compliance with this law. As a matter of fact, this is a police measure.

Hon. Mr. LYNCH-STAUNTON: If an alien comes in to shoot game has he to hunt up an officer in order to secure a permit?

Hon. Mr. GRIESBACH: Why should he not?

Hon. Mr. LYNCH-STAUNTON: If he is a respectable man I do not see why he should have to do so.

Hon. Mr. BLACK: No person from the United States can come into Nova Scotia or New Brunswick to shoot game unless he first gets a permit and pays his fees.

Hon. Mr. LYNCH-STAUNTON: That is the law in all the provinces.

Hon. Mr. BLACK: Then this does not make the law any more onerous.

Hon. Mr. LYNCH-STAUNTON: A man requiring a permit would have to broadcast a radio message to find where the police officer lived.

Hon. Mr. GRIESBACH: When he gets his hunting licence he will find where he can secure a permit.

Right Hon. Mr. MEIGHEN: I think if my honourable friend will look at the opposite page he will see that on the point in respect of which he is objecting we are not really changing the law.

Hon. Mr. DANDURAND: Except to indicate the form.

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. CASGRAIN: I suppose a surveyor should not speak about these things.

Some Hon. SENATORS: No.

Hon. Mr. CASGRAIN: Italians, for instance, do not carry firearms; they carry daggers or knives, which are much more dangerous. I am told that coloured gentlemen carry razors.

Hon. Mr. GRIESBACH.

Hon. Mr. LYNCH-STAUNTON: Addressing myself to my right honourable leader (Right Hon. Mr. Meighen), I understand that the notes to which he has directed my attention do not refer to section 119; they refer to section 118.

Hon. Mr. GRIESBACH: If the honourable gentleman will refer to paragraph e on the opposite page, he will find it is the old law. It was passed in 1919.

Right Hon. Mr. MEIGHEN: If the honourable senator will read all the explanatory notes opposite he will find that in the provision in respect of which he is objecting to this section there is no change at all.

Hon. Mr. LYNCH-STAUNTON: I have not perused the Bill with sufficient care to know whether that is correct. I thought it would go before a committee; so I did not examine it. But it does seem to me to be an unreasonable provision.

Right Hon. Mr. MEIGHEN: It is pretty stringent, but the Minister of Justice advises me that the cases are numerous calling for some enactment such as 118, which is the new section. He tells me that police officers represent that it is important to prescribe a very heavy penalty in respect of that offence.

Hon. Mr. LYNCH-STAUNTON: That is section 118.

Right Hon. Mr. MEIGHEN: Yes. Number 119 is substantially the same as the old section. A change is necessitated in paragraphs a and b because of section 118. Paragraph c is new, and parts of paragraph d; but those are not what my honourable friend objects to. When we come to section 120 I shall have one or two suggestions to make.

Hon. Mr. LYNCH-STAUNTON: My first objection is as to the difficulty that an alien will have in ascertaining where the necessary permit can be obtained. He must obtain the permit before he comes into the country.

Right Hon. Mr. MEIGHEN: The parties objecting to this legislation—I think they made representations to my honourable friend—spoke to me about it two or three times, and wanted an opportunity to appear before a committee. Subsequently they said they were prepared to withdraw their objections because they had satisfied themselves that the permit system intended should be tried out. They thought it would probably work successfully. Just what the system is I do not know.

Hon. Mr. LYNCH-STAUNTON: They did not tell me that.

Right Hon. Mr. MEIGHEN: Colonel Thompson was speaking for them. I am sure he would be only too glad to take the matter up with my honourable friend. I know he withdrew all objections.

Hon. Mr. LYNCH-STAUNTON: Then I do not press my objections.

New section 119 was agreed to.

On new section 120—persons who may issue permits:

Right Hon. Mr. MEIGHEN: I do not think it would be in order for me to move an amendment to this section; therefore I merely suggest the following:

Amend section 120 by adding to subsection 1 the words: "or for target practice in a regularly organized shooting club approved by the Attorney-General of the province in which such club is organized."

Hon. Mr. GRIESBACH: I have an amendment which I think is somewhat better than that suggested. I am approaching the matter from the point of view that we have in Canada an organization known as the Dominion of Canada Rifle Association. It is supported by the Federal Government and the various provincial governments, through grants to encourage shooting. The Association conducts a series of competitions for pistol or revolver shooting all over Canada. We have also military revolver clubs and police revolver and pistol clubs, which of course do not require to be authorized, because of the nature of their organization. The Secretary of the Rifle Association and the President of the Revolver Club of Canada have spoken to me with respect to this Bill. I have prepared an amendment which meets with their approval, and which I think is a sounder amendment than the one suggested by the leader. I will read it. I have simply added to subsection 2 of section 120 of the Bill.

The CHAIRMAN: Should we not finish subsection 1 first?

Hon. Mr. GRIESBACH: You have the amendment before you.

The CHAIRMAN: Yours is not an amendment to the same subsection.

Hon. Mr. GRIESBACH: The right honourable leader has suggested an amendment to the first subsection; I propose in lieu of that an amendment to the second. I would call it subsection 3, and would change the numbers of the subsections. Subsection 3 would be the same as the present subsection 2, but with an addition, and would read:

The Commissioner of the Royal Canadian Mounted Police, or any officer thereof duly authorized by him, or any person authorized

by the Attorney-General of any province, may, upon sufficient cause being shown, issue a permit in Form 76-D to any applicant therefor, as to whose discretion and good character he is satisfied, provided that such person is a member in good standing of a revolver or pistol club recognized by, affiliated with, or belonging to the Dominion of Canada Rifle Association, and provided further that such permit will only entitle the applicant therefor to carry a pistol or revolver between his place of residence, or business, and any place of practice or competition.

I think my amendment is superior to the other amendment suggested, because, in the first place, it lays upon the issuing officer the onus of exercising discretion as to the individual applicant.

Hon. Mr. LYNCH-STAUNTON: Is each individual who goes to shoot to have a permit?

Hon. Mr. GRIESBACH: Each individual who goes to shoot will have to secure a permit for a pistol or revolver, and the issuing officer will have to exercise discretion as to whether or not the applicant is deserving. The applicant must satisfy the issuing officer that he is a member in good standing of a revolver or pistol club which belongs to, is recognized by, or affiliated with the Dominion of Canada Rifle Association. My proposed amendment further provides that a person will only be permitted to carry his pistol or revolver from his place of residence or business to the place of practice or competition. It contains more safeguards than the other amendment and puts the responsibility upon the Dominion of Canada Rifle Association, but it does not take away from the issuer the responsibility of ascertaining whether the applicant is a deserving person.

Hon. Mr. LYNCH-STAUNTON: That does not seem to be wide enough to cover what is suggested by the right honourable leader. All the people who belong to shooting clubs could be barred out under that amendment.

Hon. Mr. MACDONELL: "Who has a permit to carry a revolver or pistol" covers the whole ground that the honourable gentleman proposes to cover by his amendment.

Hon. Mr. DANDURAND: The right honourable gentleman (Right Hon. Mr. Meighen) has suggested an amendment, and my honourable friend from Edmonton (Hon. Mr. Griesbach) proposes what he claims is a more comprehensive amendment. It is for the right honourable gentleman to say—

Hon. Mr. GRIESBACH: As far as safeguarding the public is concerned, my amendment will go much beyond the amendment suggested by the leader.

Hon. Mr. LYNCH-STAUTON: It will not cover all.

Hon. Mr. GRIESBACH: It covers all the people who belong to revolver clubs or pistol clubs.

Hon. Mr. LYNCH-STAUTON: It does not cover target practice at any regularly organized shooting club.

Hon. Mr. GRIESBACH: Under my amendment permits would be granted to the right people, and to no others; and they would be permitted to carry pistols only between their places of residence or business and the place of practice or competition.

Hon. Mr. BLACK: There are several rifle associations in Canada which are not affiliated with the Dominion Rifle Association. As I understand this proposed amendment, members of those associations, as well as members of clay pigeon clubs, would be barred from getting licences.

Hon. Mr. GRIESBACH: They are barred anyway. They are not contemplated.

Right Hon. Mr. MEIGHEN: They are contemplated in the amendment I have suggested. In fact, it was mainly on their account that this amendment was presented. The law, if passed in the form previously submitted to this House, would simply allow the Commissioner of the Royal Canadian Mounted Police, or any officer thereof who is duly authorized by the Commissioner, or any person authorized by the Attorney-General of any province, to issue a permit in Form 76 to any person upon being satisfied that such person required a pistol or revolver for the protection of life and property. The purpose of the amendment is to enable the issue of a permit to any person upon satisfactory proof that he is getting the pistol or revolver for target practice in a regularly organized shooting club, that is, a club approved by the Attorney-General of the province. That gives the Attorney-General the right to say whether the shooting club is a bona fide shooting club of standing, and not merely one that is being used as a mask. The kind of shooting club I have in mind is one such as the Toronto Revolver Club, the principal purpose of which is to teach its members—among whom are bank tellers and the like—how to handle a revolver skillfully if it should become necessary. They say, "Don't prevent us from getting a licence for a revolver for that purpose." Under the amendment of the honourable gentleman from Edmonton (Hon. Mr. Griesbach) they would be debarred. Under the amendment

Hon. Mr. GRIESBACH.

I have suggested the class that he has in mind would not be debarred, but would be approved readily by the Attorney-General of the province.

Hon. Mr. GRIESBACH: The class I have in mind would be admitted under the suggested amendment of the right honourable gentleman, but his amendment, I submit, would open wide the door; it would include, as the honourable gentleman from Westmorland (Hon. Mr. Black) says, the members of a shot-gun club who shoot at clay pigeons.

Right Hon. Mr. MEIGHEN: Why would a man want a permit for a pistol or a revolver at a shot-gun club?

Hon. Mr. GRIESBACH: His purpose would be to defeat the law and get a licence for a revolver. My amendment proposes to put pistol shooting in Canada under the authority of the Dominion of Canada Rifle Association, which is a large and responsible organization. I submit that the amendment proposed by the right honourable gentleman is too wide in its scope. After all, this is a police measure. The police are desirous of limiting the number of persons who may have pistols and revolvers, and of ensuring that they are respectable, reliable and trustworthy people. I submit that under the amendment proposed by the right honourable gentleman a man could allege that he was a member of a gun club, and, if the Attorney-General approved of that gun club, that man would be entitled to a permit for a pistol. Under the amendment that I propose, the individual has to satisfy the issuing officer that he is a proper person to have a revolver; then he has to show that he belongs to a pistol club which is recognized by or affiliated with the Dominion of Canada Rifle Association; then, having done these things, and having secured a permit, he is allowed to carry the pistol or revolver covered by his permit only from his place of residence or his place of business to the place of practice or competition. I submit that my amendment narrows the class of persons who may secure permits, but makes it possible for men who ought to be encouraged to shoot to secure them. It excludes not only the individual who tries to come in by some side wind, but also the individual who wants to carry a pistol on all occasions.

Hon. Mr. LYNCH-STAUTON: What about the bank clerk?

Hon. Mr. GRIESBACH: He must join a pistol club or apply for a permit under subsection 1, on the ground that he requires a pistol for the protection of life or property.

Surely a banker can apply for and secure a permit for a pistol to protect life and property. He does not have to belong to any club at all.

Hon. Mr. LYNCH-STAUNTON: He could not use it to practise.

Hon. Mr. GRIESBACH: He would go to a shooting gallery and practise.

Hon. Mr. LYNCH-STAUNTON: Oh, no.

Hon. Mr. GILLIS: If he does not belong to a club he cannot get a permit.

Hon. Mr. GRIESBACH: There is nothing in that argument at all. The man has a permit to carry a pistol for the protection of life and property, and he can go to any shooting gallery and practise.

Hon. Mr. LYNCH-STAUNTON: Where is there provision for that?

Hon. Mr. GRIESBACH: Mention the law that prevents it, once he has a permit. Show it to me.

Hon. Mr. MACDONELL: The honourable gentleman has just said that the man must belong to a club before he can do any practising.

Hon. Mr. GRIESBACH: I have said nothing of the sort. I ask anyone to show me anywhere in this Bill a provision which prevents him from practising if he has a permit.

Hon. Mr. LYNCH-STAUNTON: It says he may have a pistol or revolver for the purpose of protecting life and property. That must mean that he can use it only for that purpose. His permit will state that it is only for that purpose that he is allowed to carry it. I think the suggestion of the right honourable leader is the proper one.

Hon. Mr. GRIESBACH: I am satisfied that his amendment is not sound. I would ask that this section be reserved and that the leader take occasion to submit the matter to the Mounted Police officers who are in charge of the Bill.

Right Hon. Mr. MEIGHEN: I have already submitted the suggestion to the Minister of Justice, who is in charge of the Police, and he has agreed to it.

It does not seem to me that men, in order to get permits, should have to allege that they want revolvers for the immediate protection of life and property. There are those who say frankly, "We are members of a revolver club, and we want them for practice." Why should we say to them, "We will not let you do that unless your club joins the Dominion Rifle Association"? Surely when the Mounted

Police are convinced of the bona fides of a man who says he wants a revolver for practice in a revolver club which is recognized by the Attorney-General of the province, that should be sufficient. It should not be necessary for him to join the Dominion Rifle Association.

I was going to suggest that we word the amendment this way: "or for target practice in a regularly organized shooting club approved by the Attorney-General of the province"—I hardly know how to word the rest of it.

Hon. Mr. LYNCH-STAUNTON:—"in which the applicant resides." The Attorney-General will not give his approval to any club outside of his own province.

Hon. Mr. DANDURAND:—"organized within his own province."

Right Hon. Mr. MEIGHEN: That is the first suggestion. We might say, "approved by the Attorney-General of the province in which such club is organized."

Hon. Mr. GRIESBACH: Will you say "pistol or revolver shooting club"?

Right Hon. Mr. MEIGHEN: Perhaps that would do.

Hon. Mr. GRIESBACH: Any gun club is a shooting club.

Right Hon. Mr. MEIGHEN: It would be difficult to convince anyone that you wanted a pistol or revolver at a gun club. It would be absurd.

The proposed amendment was agreed to.

Hon. Mr. GRIESBACH: Form 76 is for the protection of life and property. You will have to have a new form for pistol practice.

Right Hon. Mr. MEIGHEN: Well, we could get over the difficulty by adding to Form 76, where it appears in this Bill, the words "or for target practice." We shall come to that shortly.

Subsection 1, as amended, was agreed to.

Subsection 2 was agreed to.

On subsection 3—duration:

Right Hon. Mr. MEIGHEN: I move that the word "in" in line 28 be changed to "for," to make the phrase read "during the calendar year for which it is issued."

The amendment was agreed to, and subsection 3, as amended, was agreed to.

Subsection 4 was agreed to.

On new section 121, paragraph a—powers of Governor in Council:

Hon. Mr. GRIESBACH: I object to this, because it exempts an area, whereas there should be provision to exempt individuals. Trappers, men who trap in the northern forests, frequently carry a pistol rather than a 9-pound rifle to dispatch animals caught in traps. On the other hand, there are other individuals in that part of the country who should not be allowed to have a pistol at all. Therefore, as I say, the exemption should be applicable to individuals rather than to areas.

Hon. Mr. DANDURAND: May we have an explanation of the present form?

Right Hon. Mr. MEIGHEN: Well, the explanation is that it is in just such outlying portions, where there is really no appreciable danger of abuse from suspension of these sections referred to, that it is desired to make the suspension possible. I suppose the reason why the problem is not attacked from the angle suggested by the honourable member from Edmonton (Hon. Mr. Griesbach) is that there would be very great difficulty in defining just what person should be exempted.

Hon. Mr. LYNCH-STAUTON: Are Hudson Bay and such parts of the country in mind?

Right Hon. Mr. MEIGHEN: Yes. The wording is in the form recommended to the Department, and that is the way it has passed the other House. I do not like to take the responsibility of trying to solve the question from the other approach, because it seems to me that it would be very difficult to do so.

Paragraph a was agreed to.

On paragraph b:

Right Hon. Mr. MEIGHEN: I should be glad if some honourable member would move that the words "or classes of persons" be inserted after the word "persons" in line 43.

Hon. Mr. CASGRAIN: I will move that, to oblige the right honourable gentleman.

The amendment was agreed to and paragraph b, as amended, was agreed to.

On new section 122—having pistol or revolver while committing offence:

Right Hon. Mr. MEIGHEN: That is a very useful section.

Hon. Mr. DANDURAND: What is the difference between a pistol and a revolver?

Right Hon. Mr. MEIGHEN: I do not know.

Right Hon. Mr. MEIGHEN.

Hon. Mr. CASGRAIN: We have a General (Hon. Mr. Griesbach) here, and he may enlighten us.

Hon. Mr. LYNCH-STAUTON: There is a great difference. One may be a muzzle-loader, and the other revolves—has a chamber that turns.

Hon. Mr. GRIESBACH: That is not the explanation. In a revolver the cartridges are carried in a cylinder which revolves and passes under the cocking piece, at one end, and the bullet passes from the cylinder into the barrel and then discharges. A pistol is a single-barrelled weapon, and anciently it fired only one shot at a time. In the modern automatic pistol the cartridges are brought up automatically from a container and fired one after the other. The coil of the jacket extracts the empty shell and inserts the new cartridge.

Hon. Mr. DANDURAND: And a Brown- ing?

Hon. Mr. GRIESBACH: That is a name of some weapons. I think there are Browning revolvers, Browning pistols and Browning machine guns.

Hon. Mr. ROBINSON: A revolver revolves?

Hon. Mr. GRIESBACH: Yes.

New section 122 was agreed to.

On new section 123—having offensive weapon with intent to injure any person:

Hon. Mr. LYNCH-STAUTON: Is there any clause in the Criminal Code which says that a magistrate may take the place of two justices? I think there is.

Right Hon. Mr. MEIGHEN: I cannot answer definitely, but I am pretty sure there is a clause which gives the powers of a magistrate to two justices, and the powers of two justices to a magistrate.

New section 123 was agreed to.

New section 124 was agreed to.

On new section 125—selling pistol or air gun to minor:

Hon. Mr. LYNCH-STAUTON: I think the age stated here is too low.

Right Hon. Mr. MEIGHEN: That is the same as old section 119.

New section 125 was agreed to.

New section 126 was agreed to.

On new section 127—refusing to deliver offensive weapon:

Hon. Mr. DANDURAND: Would this section permit the disarming of one who has a weapon with a permit?

Right Hon. Mr. MEIGHEN: Yes. He would have to deliver up the weapon. That is the same as the present law.

New section 127 was agreed to.

New sections 128 and 129 were agreed to.

On section 2—permits cancelled:

Hon. Mr. LYNCH-STAUTON: What is the object of this?

Right Hon. Mr. MEIGHEN: To make permits that have been issued heretofore of no value.

Hon. Mr. LYNCH-STAUTON: But the permits have been issued by duly constituted authority. Many persons who have such permits will not know that the law is changed and their permits are cancelled. Surely a permit should be allowed to run its term.

Right Hon. Mr. MEIGHEN: I do not know that permits had terms.

Hon. Mr. LYNCH-STAUTON: I do not know that either. But some persons may be placed in an awkward position through this section.

Hon. Mr. DANDURAND: I am under the impression that the object of this section is to enable the new authorities to keep a record of the permits issued.

Hon. Mr. LYNCH-STAUTON: Well, the holders of existing permits should be notified.

Hon. Mr. GRIESBACH: In the past a large number of officials could issue permits. For instance, the Chief of Police in any small community had such power. I can quite see that in making a fresh start of this kind it would be desirable to cancel all permits previously issued.

Hon. Mr. LYNCH-STAUTON: Well, the holders should be notified.

Hon. Mr. GRIESBACH: They must know the law.

Hon. Mr. LYNCH-STAUTON: That is absurd. They do not know the law.

Right Hon. Mr. MEIGHEN: I have not looked up the discussion on this section in another place. Would not the cancellation of those permits, which would take effect immediately the Bill is approved, make a criminal of everyone who has a weapon? I

will not press this section until I have had an opportunity of looking into the effect of it.

Section 2 stands.

On section 3—new forms enacted:

Right Hon. Mr. MEIGHEN: I move that there be added to Form 76 the words "or for target practice."

The amendment was agreed to, and section 3, as amended, was agreed to.

On section 4—coming into force:

Hon. Mr. DANDURAND: It may be necessary to examine this section in relation to the new section 120.

Right Hon. Mr. MEIGHEN: I do not think this section 4 covers the difficulty that was raised by the honourable senator from Hamilton (Hon. Mr. Lynch-Staunton), and I suggest that the section stand. It is possible that when we are dealing with this matter again an amendment may be moved to new section 119, anent the comment thereon by the honourable senator from Hamilton. We may adopt an amendment, even though the present section is, I understand, acceptable to the railways.

Section 4 stands.

On section 1, new section 118—having or carrying a pistol or revolver without a permit:

Right Hon. Mr. MEIGHEN: I move that we now return to new section 118 for further consideration, as the honourable senator from North York (Hon. Sir Allen Aylesworth) has prepared the form which he suggests the section should take.

Hon. Sir ALLEN AYLESWORTH: After looking over the Bill as it came from the other House, and reading the discussion in the Senate last week, I was under the impression that what the proposed new section 118 was striking at was the carrying of a concealed weapon, and therefore when I was speaking a few minutes ago I suggested a redrafting of the section, retaining the word "concealed." But I understand now that the sense of the Committee is that it should be made an offence to carry a revolver, whether concealed or not, and I have written another section as a substitute for the section printed in the Bill. I move that this new section 118 read:

Every one is guilty of an indictable offence and liable to imprisonment for a term not exceeding five years who, not having a permit in Form 76,

(a) has upon his person elsewhere than in his own dwelling house, shop, warehouse,

counting-house, or premises, a pistol, revolver or other firearm capable of being concealed upon the person;

or who, not having such permit, (b) is carrying in any vehicle under his control or of which he is an occupant a pistol, revolver or other firearm capable of being concealed upon the person.

Right Hon. Mr. MEIGHEN: If this amendment is carried—and I certainly think it should be, for the intention of the section could not be more clearly brought out—there will be left for consideration only clauses 2 and 4, and possibly for reconsideration that part of clause 1 which deals with new section 119.

Hon. Mr. DANDURAND: The latter part of the amendment proposed by the honourable gentleman from North York (Hon. Sir Allen Aylesworth) is intended to cover only small weapons?

Right Hon. Mr. MEIGHEN: Yes.

The amendment was agreed to.

Progress was reported.

DIVORCE BILL

SECOND READING

Bill T, an Act for the relief of Olga Shidlowskaya Lowrey.—Hon. Mr. Robinson.

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

THE SENATE

Tuesday, April 11, 1933.

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

Prayers and routine proceedings.

AREAS AND POPULATIONS OF PROVINCES

INQUIRY

Hon. Mr. FOSTER inquired of the Government:

1. What was the area in square miles of each province of the Dominion as it came into Confederation, giving, of course, the original four provinces in the list?

2. What was the date of each extension of area and the quantity of such extension in the case of each province whose boundaries, or area, was so extended?

3. What was the estimated population in the extended areas at the time such area was taken into any province, and what is the population* in such area at the present time?

*Note.—If actual population cannot be obtained, give estimated population.

Hon. Sir ALLEN AYLESWORTH.

Right Hon. Mr. MEIGHEN: As the information essential to the answer to this inquiry is rather lengthy, I shall not read it, but shall hand it in for insertion in the Report of the Debates.

1.

Province	Date	Total Area Sq. Miles
Ontario..	July 1, 1867	266,182
Quebec..	July 1, 1867	351,873
New Brunswick..	July 1, 1867	27,985
Nova Scotia..	July 1, 1867	21,428
Manitoba..	July 15, 1870	13,927
British Columbia..	July 20, 1871	355,855
Prince Edward Island..	July 1, 1871	2,184
Alberta..	Sept. 1, 1905	255,285
Saskatchewan..	Sept. 1, 1905	251,700

2.

Province	Year	Total Area Added Sq. Miles
Ontario..	1912	146,400
Quebec..	1912	354,961*
Manitoba..	1912	178,100
Manitoba..	1881	59,759
Manitoba..	1877	45†

* On March 1, 1927, the Judicial Committee of the Privy Council awarded 62,720 square miles of this territory to Newfoundland, leaving a balance of 292,341 square miles.

† Being the result of making the boundaries coincide with the township lines.

3.

Province	Year	Population Added
Ontario..	1912	4,018
Quebec..	1912	2,544*
Manitoba..	1912	5,780
Manitoba..	1881	16,452
Manitoba..	1877	Unknown

* But from this total should be deducted 526 in the territory awarded to Newfoundland in 1927, which leaves a total of 2,018.

The population in the above territory according to the Census of 1931 was:

Ontario..	3,973
Quebec..	2,177
Manitoba, in the territory added in 1912..	17,436
Manitoba, in the territory added in 1881..	229,461
Manitoba, in the territory added in 1877..	Unknown

PRIVATE BILL

FIRST READING

Bill 51, an Act to incorporate Devonshire Jockey Club.—Hon. Mr. Lacasse.

APPROPRIATION BILL NO. 3

FIRST READING

A message was received from the House of Commons with Bill 72, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1934.

The Bill was read the first time.

SECOND READING

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

Right Hon. Mr. MEIGHEN: To-morrow.

Hon. Mr. DANDURAND: I know that sometimes such Bills require prompt sanction by the Governor. If my right honourable friend desires to take second reading now, I will not object.

Right Hon. Mr. MEIGHEN moved the second reading of the Bill.

He said: It would be convenient to take second reading now and postpone third reading until to-morrow. If the Bill is disposed of by the House to-morrow, it will be in time.

Hon. Mr. DANDURAND: I suppose that this is for the usual one-twelfth?

Right Hon. Mr. MEIGHEN: Yes.

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

DIVORCE BILL

THIRD READING

Bill T, an Act for the relief of Olga Shidlowkaya Lowrey.—Hon. Mr. Robinson.

CRIMINAL CODE (OFFENSIVE WEAPONS) BILL

FURTHER CONSIDERED IN COMMITTEE

The Senate again went into Committee on Bill 53, an Act to amend the Criminal Code (Offensive Weapons).—Right Hon. Mr. Meighen.

Hon. Mr. Beaubien in the Chair.

On section 2—permits cancelled:

Right Hon. Mr. MEIGHEN: Honourable members, when the Committee rose yesterday we had disposed of all parts of this Bill except sections 2 and 4. Section 2 provides:

Every permit heretofore issued pursuant to any section repealed by this Act is hereby cancelled.

Some honourable members, including myself, were apprehensive that if this section became law all holders of permits would immediately become violators of the law. Section 4 has some bearing on the same matter, and after

a close study of the two sections I am convinced that they together meet the situation adequately. Section 4 says:

This Act shall come into force on a date to be fixed by proclamation of the Governor in Council, provided that section one hundred and twenty of the Criminal Code—

Honourable members will remember what that section covers.

—as enacted by section one of this Act, shall come into force upon the date of the Assent to this Act, but the permits mentioned in said section one hundred and twenty shall be valid only upon the date this Act comes into force by proclamation.

Now, this new section 120 is the section which provides authority for the issue of the permits. By section 4 the provision for this authority is effective the moment the Act is assented to. Consequently, from that moment on, all present holders of permits and other persons desirous of becoming holders may obtain permits, and they can do so in the period between the date of the assent to this Act and the date when the Act comes into effect by proclamation. If they do so in that period, they will be in possession of permits when the Act comes into effect by proclamation and will not suffer through the fact that the old permits lapse immediately the proclamation is issued. The intention of the two sections together seems to be clear. It also appears to be a useful intention, for, while doing no injustice by the prompt cancellation of permits, it lays the ground for a complete, clear, new sheet of permits in Canada, so that henceforward we shall know just who have them and who have not.

Hon. Mr. LYNCH-STANTON: How are the ordinary people going to learn when the Act does come into force?

Right Hon. Mr. MEIGHEN: I presume that in the administration special efforts will be made to see that the public do learn. Of course, they are entitled to learn only by the law, which they are expected to know, but I have no doubt that those in charge of the administration, namely the Mounted Police, will take steps to see that the public are informed.

Hon. Mr. DANDURAND: If publication were limited to the Canada Gazette it would fall short of reaching the generality of holders.

Right Hon. Mr. GRAHAM: It would be embalmed.

Right Hon. Mr. MEIGHEN: I think the official Gazette is the best known means of concealing any fact.

Section 2 was agreed to.

Section 4 was agreed to.

On new section 119—dangerous weapons (reconsidered):

Right Hon. Mr. MEIGHEN: With the leave of the Committee, I move for reconsideration of new section 119, which is part of section 1 of this Bill. It will be remembered that at the last sitting the honourable senator from Hamilton (Hon. Mr. Lynch-Staunton) called attention to difficulties that hunters and other sportsmen would encounter on coming into Canada, and intimated that certain Canadian interests, chiefly the railways, who desired to encourage the coming of such people into this country, had been desirous of an amendment to provide that these sportsmen would not be unduly hampered. I stated that I had been informed by the railways that they were content to let the Bill stand as it is; that they would depend upon the permits being reasonable and would wait to see how the Act worked out. Just before the Committee rose, however, I had intimation that an amendment was desired; therefore I said that we should have a chance to reconsider the matter to-day.

I refer honourable members to this new section 119, which makes it an offence, punishable by summary conviction, to have upon the person elsewhere than in a dwelling house, and so forth, or to carry, a weapon; and paragraph b makes it an offence for a person who is an alien to have in his possession any shot gun, rifle or other such firearm or any ammunition for any such firearm without having a permit in Form 76B. Obviously if the case of a well-intentioned sportsman coming into Canada to hunt is to be taken care of, it can be done appropriately under paragraph b. Otherwise, it is quite clear, a man coming through from, say, Detroit to hunt in Northern Ontario would be a violator of the law during the interval between his entering Canadian territory and his reaching the permit office, which office might be some distance from the boundary. Besides, it may be inferred that he is not so familiar with the law as is a Canadian citizen. I am told that American sportsmen also enter at Sarnia or Windsor, pass through Canada, and go to the State of Maine to hunt.

In order to try to provide for these cases, I propose the following amendment by way of proviso to paragraph b of new section 119:

Provided however that any bona fide sportsman or hunter shall be permitted to enter or pass through Canada having in his possession any shot gun, rifle or other such firearm, or any ammunition therefor, on condition that he pass continuously through and out of Canada, or, if not, that he apply for a permit in Form 76B without undue delay after entering Canada.

Right Hon. Mr. MEIGHEN.

Hon. Mr. CALDER: I am reminded of an incident that occurred in the West. It happened to be travelling to Calgary. There had been considerable snow, and the train was tied up at a little town, which I will not mention. During the tie-up one of our friends from the South who was on the train began to brandish a revolver, but apparently with no ill intent. He was taken uptown and arraigned before a police magistrate. I was present at the trial. The accused admitted the charge, with the result that his revolver was confiscated and he was fined \$5. The incident was all over in less than twenty-five minutes. If that man had kept his revolver in his pocket no one would have been any the wiser. I suppose down where he came from it was not contrary to the law to flourish a revolver in public.

Hon. Mr. LYNCH-STAUNTON: He deserved to be fined.

Hon. Mr. CALDER: I do not say he ought not to have been fined.

Hon. Mr. HORSEY: He had no permit.

Hon. Mr. CALDER: He had no permit, but he was travelling through Canada continuously.

The amendment was agreed to.

On new section 120—persons who may issue permits:

The CHAIRMAN: The Clerk reminds me that the amendment to the first subsection of section 120 has not yet been agreed to.

Right Hon. Mr. MEIGHEN: Yesterday I suggested the amendment, and stated it several times, and understood it was carried, but I did not get any definite assurance from the Chair.

I move to amend section 120 by adding to subsection 1 the words:

or for target practice in a regularly organized shooting club approved by the Attorney-General of the province in which such club is organized.

The amendment was agreed to.

Right Hon. Mr. MEIGHEN: It is understood also that Form 76 in section 3 is amended by adding the words "or for target practice."

The CHAIRMAN: Yes.

The preamble and the title were agreed to.

The Bill was reported.

FEDERAL ELECTION COSTS

INQUIRY AND DISCUSSION

The Senate resumed from Tuesday, March 14, the debate on the question proposed by Hon. Mr. Foster:

To call the attention of the Senate to the abnormal cost, both to candidates and the country, of federal elections, and inquire if the leader of the Government would consider the question of the appointment of a select committee of this House to consider and report upon such action as would materially reduce the cost thereof.

Hon. CHARLES E. TANNER: I think I ought to explain that I have adjourned the debate on this matter on several occasions in order to accommodate some honourable members who intimated to me that they would like to speak, and who, in view of the importance of the subject, desired to have time to prepare their addresses carefully. I hope they are here to-day and are quite prepared. They have had ample time to make ready. As for myself, I have only a few remarks to make, and will proceed lest I forget what I want to say.

Like some of the honourable members who have already spoken, I feel that we may not be spending our time any too profitably in discussing this subject, as it particularly appertains to another branch of Parliament. However, although honourable members in the other part of the building may think that we are intruding upon their preserve, some of the valuable suggestions made may appeal to them.

I may say, in passing, that on one of the occasions when I moved the adjournment of this debate I made a remark to the effect that a saving might result from the abolition of the other Chamber. I learned afterwards that that remark, although not very seriously intended, had caused a little flutter of excitement. Honourable members of the other House are so accustomed to suggesting the abolition of this Chamber that apparently they are hit with surprise when any honourable member of this House suggests that the country might find it profitable to abolish the House of Commons. However, so far as I am concerned, I have a great deal of respect for the other House and for the honourable gentlemen who sit there. I can assure them that I will not be in any great haste to move for the abolition of that House.

There is, however, a certain background for a suggestion that might call the attention of the other House to the work of the Senate. To-day we have been engaged in completing work which originated in this Chamber three

or four years ago, but which, when sent to the other House, upon more than one occasion, received practically no consideration at all. I observed in the press the other day that a committee of officials has been engaged in studying the cost of the stationery of Parliament, and has come to the conclusion that a substantial sum of money can be saved to the country in that matter alone. I am reminded that nine years ago a committee of this House, presided over by the honourable member from De Salaberry (Hon. Mr. Béique), carefully investigated the co-ordination of all departments, the reduction of staff, and the exorbitant cost of rentals of buildings in this city for the Civil Service. That committee gathered a great deal of valuable information on all those subjects. Yet, only now, nine years later, is the other branch of Parliament awakening to the fact that money can be saved in some of those respects. It is common knowledge also that eight years ago a special committee of this House, under the late Senator Ross, very carefully considered the pending railway problems of this country and pointed out the signs of danger that then were in the sky, in relation to the expenditures and costs of railways in this country. To-day we are confronted with the very consequences pointed out by that Senate committee in 1925. So I say, honourable members, we have reason for thinking, even with respect to the cost of elections, that there is some wisdom in this House and that honourable members of it are competent to make suggestions which are well worthy of the consideration of the House of Commons.

We all acknowledge that costs of elections have become exorbitant. I suppose I am correct in saying that probably a majority of the honourable members of this House have had experience not only of campaigning, but of being candidates in elections. I have myself had the privilege of contesting nine elections, and I was not very far away during a dozen more general elections in which I was not a candidate. I feel, therefore, that I know a little about elections and the cost of elections, and my observation leads me very quickly to the conclusion that election expenses have grown enormously. Many years ago I ran elections in which there was no such thing as a campaign fund. I have known of federal elections in Nova Scotia where there was virtually no fund at all. I have seen the expenses in that respect grow very considerably.

It was pointed out by the honourable member from Saint John (Hon. Mr. Foster), and I think it is true, that the public generally

have an exaggerated and mistaken idea about campaign funds. In many instances, I think, the campaign funds are not nearly as large as people believe them to be. Another fallacy, already mentioned, is that the existence of a campaign fund means that you must have crooked representation and a crooked electorate, and that a "huge sum," as it is described, is gathered for the purpose of buying votes. In my judgment that is all a mistake. Anybody acquainted with elections knows that, as already stated in this House during this discussion, from seventy-five to ninety per cent of the campaign fund goes towards expenditures which are practically if not quite all strictly legitimate. I do not need to go over the items. They have been mentioned by honourable members who have preceded me. Everybody knows that the bulk of the campaign fund money goes for printing, radio, telegraphing, telephoning, driving, and supplying campaign literature.

As I said a moment ago, from my observation, very little money was needed twenty-five years ago; but in the last twenty or twenty-five years, both in private and in public life, we have all been increasing our expenditures, gradually lifting ourselves to a higher level of living, and to-day in the ordinary course we are spending two or three times as much money as we spent twenty years ago. We had an example of this the other day, when the right honourable leader of the Government in this House read to us the amounts that the Federal Government has had to supply in order to keep the provincial governments out of bankruptcy. Everybody in the country—every municipal authority in the country, every provincial government in the country, and every federal government—thought there was no bottom to the pot, and they all went on a carnival of spending money. It was quite natural, as I see it, that the costs of elections should follow the general trend. When there was plenty of money for other purposes there had to be plenty of money for election purposes. So we come to the climax, described by honourable members who spoke the other day, that election costs, not only to the country, but also to the candidates and their friends, have grown beyond all limit.

I venture to think that if there were a general election to-morrow there would not be nearly as much money spent, or to be spent, as in 1930, simply because the people to-day have not the money. Those responsible would find a great deal more difficulty in making up the campaign fund.

Hon. Mr. TANNER.

I refer to that aspect of the matter because I have read learned disquisitions of university professors and others in regard to campaign funds and the management of elections. They had all sorts of suggestions and remedies to offer. Most of those gentlemen, I suppose, never took part in a municipal election, much less in a provincial or federal election.

In another part of this building a policy of what is called "controlled inflation" is being considered. Well, we might reduce the costs of elections by adopting "controlled inflation" for election purposes. If that policy were brought into effect for the purpose of paying election expenses we would say that a dollar bill was worth ten dollars, and every time we planked down a dollar we would say it was ten dollars, and that we were reducing expenditures. But I very much doubt that the gentlemen who propose such a policy would be satisfied to have it go into effect even in regard to elections.

Some suggestions have been made which to me do not seem to be very practical. One is that we should have a compulsory voting law. As a matter of fact, under the present system we get out a very good percentage of the electorate; I think, according to the figures that were given here the other day, it is seventy-six per cent. That is a pretty fair representation of voters, generally speaking, and taking into account the people who are sick, those who are away, those who are unable to travel and those who are not interested in the election. I do not pretend to say anything about a large centre like the city of Montreal, but, speaking from my knowledge of Nova Scotia, I think I am correct in saying that in every election in that province a very fair proportion of the votes are polled. For this reason I can see no justification for introducing a system of compulsory voting. In this Chamber a member who does not want to vote is not compelled to vote. In the House of Commons to-day a member who does not want to vote does not have to do so, and he may either remain in the Chamber or go out. It seems to me that every free-born elector should be allowed the same privilege—to vote or to refrain from voting.

The introduction of a system of compulsory voting would necessitate an additional elaborate and expensive programme of following up the people who did not vote, and of punishing them in some way—either by fining them or by striking them off the voters' lists for a period of years or for all time. Officers

would have to be authorized to look after that kind of thing, and they would have to be paid. There are 245 constituencies in this country. Instead of reducing the cost of elections, compulsory voting would increase the cost very materially.

As for doing away with voters' lists altogether, I must say that I should have to dissent from such a proposal. If that were adopted there would be, I think, a veritable carnival of personation. You could not keep track of the people at all in a large city. According to honourable members who represent Montreal, conditions there are very bad now. But how much worse would they be if there were no lists! A man would be able to start at one end of the city and keep on voting in every ward and every polling subdivision until the polls were closed. Without lists there would be no check whatever on personation. If that cannot be prevented now, how could it be prevented when we should have no lists? So far as I can see, there is no need for such a change as that. In a large city like Montreal there should be some way of seeing to it that the lists are correct and that only qualified persons vote. My honourable friend from Moncton (Hon. Mr. Robinson) suggested that there be one returning officer for every sixty voters, and that he go around from house to house and take their names. Well, that looks like a very simple thing to do; but it would not be very difficult to fill up all the vacant houses in a ward with people who had no right to be there, then shift them around to vacant houses in the next ward, and so on.

It seems to me—although I have not given the matter much consideration—that a more practical move would be a reduction in the size of polling subdivisions. There are now 250 voters, I think, in each. If that number were reduced to 100, the officials and representatives of the parties could identify every man and woman personally.

It must be remembered that the difficulties that exist in Montreal do not exist all over the country. There are no such troubles in Nova Scotia. An occasional personator may be found down there, but it is a rare thing to find one even in the city of Halifax, which has fifty or sixty thousand people. I do not think it would be prudent to do away with lists altogether and to throw the field wide open just because the administration of the law has been found difficult in one or two large cities.

We have democracy in Canada. It is expensive, but what are we going to do about that? We cannot abolish democracy, as we understand it. We have municipal, provincial

and federal elections; and we are all agreed, I think, that we have too many elections, but we cannot get rid of them, for the people insist upon having elections of those three types.

One good thing to do, it seems to me, would be to lengthen the life of Parliament. I think that Parliament should be elected not for five but for seven years, which is the term of the British Parliament. And the provincial legislatures, which nominally are elected for five years, might also have seven-year terms. These changes would certainly result in fewer elections. Some people have suggested that we might have fixed dates for elections. Well, I think it is very debatable whether that would do any good, under our system.

The cost of a federal election to the country has been estimated at about \$1,200,000, I think; but in calculating the annual cost we have to remember that this expense is incurred only once every four years or so. There is the further fact to be remembered that we give employment and pay the money to our own people. The money is not lost, for it goes into the pockets of some of the people who have provided it. The great difficulty that each candidate and his friends have to face is the provision of money for what are called campaign purposes—for the frills and flourishes of a campaign. I believe many honourable members will agree with me when I say that at least fifty per cent of those campaign funds are absolutely wasted. They do not affect the result of the election one way or the other. But how can we overcome the necessity for such funds? In a riding there are two candidates, let us say, John Smith and John MacDonald. The election is warming up and there is considerable doubt as to who has the better chance to win. How can you stop them from using every legitimate means to increase their chances of success? As long as they can find the money they will broadcast over the radio, issue campaign literature and advertise in the newspapers. In my judgment, unless we want to abolish democracy and set up a Mussolini or some other authority, we cannot avoid these expenses while money can be found to meet them.

In making these few remarks, honourable members, I do not want to be considered as opposed to the motion to refer the question of federal election costs to a committee of this House. I think it would probably be a good idea for us to appoint a committee to take the whole subject into consideration, for it might be that out of an inquiry by such a committee some practical suggestions would be offered that would commend themselves to members of another place.

Hon. A. B. GILLIS: Honourable members, when the honourable gentleman who has just taken his seat (Hon. Mr. Tanner) opened his remarks he looked in this direction as though he blamed me for being one of the senators who asked him to adjourn the debate. As a matter of fact, I did mention to him incidentally the other day that it might be advisable to adjourn this debate, as some other honourable members might want to take part in it.

Personally I have not had a great deal of experience in federal elections. I was a candidate for a few months in 1917, but owing to the formation of the Union Government I was asked to step aside to let the then sitting member be returned by acclamation. However, I have taken part in many political fights. I was the successful candidate in several provincial elections, but they did not run me into much expense.

When the honourable gentleman from Moncton (Hon. Mr. Robinson) speaks in this House we can always rely on getting some sound ideas and practical pointers, but I am afraid that on this occasion he allowed his imagination to run away with his better judgment. For instance, he suggested that the deputy returning officer and poll clerk travel around, accompanied by two scrutineers and, I suppose, a constable, taking the votes. I think we can conclude that that scheme is not at all practicable.

In so far as the present law applies to rural constituencies it is working very well. I know that many honourable gentlemen are familiar with the law. When the writs are issued the returning officer appoints registrars in every polling subdivision. They prepare the lists, and a few days before the election those lists must be posted up in some public place where the electors have an opportunity of examining them to make sure that they contain their names, and also that the names of no unqualified persons are included. I have known of only two instances where the registrars failed to give the public an opportunity to examine the lists. In both cases they took the lists to their homes, and very few, if any, of the voters knew where to find them. On election day it was discovered that the names of a large number of voters were not listed. Fortunately this irregular practice is not common. Even where voters are left off the lists they are not deprived of the right to vote, for if they are qualified they can swear their votes in. Many people, however, object to taking the oath when they feel that but for the negligence of some election officer they would not be obliged to do so.

Hon. Mr. TANNER.

I will give a couple of illustrations bearing on the cost of the system of registration. At the last federal election there were in the constituency of Qu'Appelle, in which I reside, 17,800 voters. The average cost per voter for making up the list was 17½ cents, and the total cost for the whole constituency was \$3,016. I find that 83 per cent of those electors voted. So I think it can be said that in the rural districts the present law is working as well as any law could. But the cost of making up lists in urban constituencies is considerably higher. For instance, a constituency in the city of Toronto had 18,000 voters on the list and the cost of registration averaged 29 cents per name and totalled \$5,222, nearly double the cost of similar work in the rural constituency to which I referred. Of course, a considerable part of this difference is accounted for by the fact that in the cities the lists have to be printed.

In the course of the debate several remedies have been proposed for improving our method of conducting elections. One of these proposed remedies is compulsory registration. Now, I am at a loss to understand how a scheme can be found that will enable the making up of lists, complete in every respect, without a considerable outlay of money. It might be a good idea to have the lists furnished by the provinces, if they would agree to that. Through their municipal organizations they could probably have the lists kept up-to-date every year, for every municipality must now make out an annual statement containing the names of all its residents who are entitled to vote in the local elections. Without complete voters' lists compulsory voting could not, of course, be enforced.

The honourable gentleman who proposed this inquiry (Hon. Mr. Foster) suggested, among other things, the conscripting of motor cars and halls for election purposes. Well, if we legislated to carry out any of these suggestions we should have to provide penalties for failure to obey the law. I think it will be generally agreed that there are many difficulties in the way of legislating to force people to vote. As the honourable senator from Pictou (Hon. Mr. Tanner) has said, the bulk of the people are disposed to use their votes. The experience in the constituency of Qu'Appelle, where, as I have said, 83 per cent of the electors went to the polls, shows what the people will do when they are interested. I think that in rural districts all over the country the electors are very much alive to the political situation. At their meetings, in small schoolhouses and such places, matters of public policy will often receive far closer scrutiny and be debated in far more detail than at city meetings.

One of the main reasons why I rose was to object to the proposal made by the honourable senator from Saint John (Hon. Mr. Foster) and supported by the honourable leader on the other side (Hon. Mr. Dandurand) that the federal vote be taken on Sunday. I do not think there is any necessity whatever for violating the Lord's Day by the holding of an election.

Hon. Mr. DANDURAND: I should prefer a legal holiday.

Hon. Mr. GILLIS: I was going to suggest that there be a public holiday for voting. We should leave the holy day alone. I imagine that if we went from one end of Canada to the other we should find that the bulk of the people are opposed to the idea of Sunday voting. In Germany they vote on Sunday, but we are not bound to follow Germany in this or any other respect.

Reference was made to election crimes committed in Montreal and other cities. I think the situation referred to is deplorable. But it seems to me the whole trouble is due to the fact that the present law is not enforced. As the right honourable leader of the House (Right Hon. Mr. Meighen) pointed out the other day, the Act provides punishment for every real or imaginable crime. It is not the law but its enforcement that is lax. Election crooks feel pretty confident that after the election is over nothing more will be heard of their wrongdoing, for the successful candidate will say, "Oh, well, I need not bother," and the defeated candidate is not inclined to incur any further expense. Consequently these impersonators go scot-free. Fortunately, in the rural constituencies there is very little illicit voting. We hope that the Election Act will be amended and more severe penalties prescribed for persons found guilty of impersonation. It has been suggested that such wrongdoers should be sentenced to a stiff term of imprisonment.

I am not opposing the appointment of a select committee as suggested by the honourable senator who has made this inquiry; I am merely pointing out what would appear to me to be difficulties in putting into practice many of the suggestions advanced during this debate. I am sure that if a committee of this House is appointed to consider and report upon such action as would materially reduce the abnormal costs of federal elections, members of the other House will be very grateful to this Chamber.

PENITENTIARY BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 59, an Act to amend the Penitentiary Act.

He said: Honourable senators, briefly, one of the purposes of this Bill is to remove from the Civil Service Act the appointment of certain principal officers holding executive police authority and to make the Minister, or in certain cases the warden, directly responsible. It is also sought to make more equitable provisions respecting gratuities, all such provisions, I think, looking toward reduction. It appears that in the combination of Acts covering superannuation and other allowances, including gratuities, there are duplications. These are taken care of by the Bill.

Hon. Mr. DANDURAND: What is the reason for the proposed change with respect to the appointment of penitentiary officials? Has the present system failed to bring about satisfactory appointments?

Right Hon. Mr. MEIGHEN: That is the judgment of the Minister in charge.

Hon. Mr. DANDURAND: Is it the intention to select penitentiary superintendents from among men who have experience and standing in the militia or have graduated from the Royal Military College at Kingston? I have heard of such a suggestion having been made elsewhere, though I do not know whether any opinion was expressed as to the advisability of setting up military discipline in the penitentiaries, or the advantage of having men of high military rank superintending those institutions.

Right Hon. Mr. MEIGHEN: As the honourable senator knows, I am always very chary of declaring any intention, especially if it cannot conceivably mature for a considerable time to come. In this hectic period of the world's history it is wise not to make any attempt to predict what may be done in the far or even in the near future. The question, though, rather lacks point, for the reason that the present Superintendent of Penitentiaries was appointed by the Civil Service Commission. He is a man of wide military experience. I do not think he is a graduate of the Military College, but if he were he would be all the better for it. In my humble judgment his military experience by no means disqualifies him for the post he holds. The appointment was made, as are all appointments by the Civil Service Commission, without reference to any member of the Government. I am not certain whether I was in the Administration at the time, but I certainly would not criticize the appointment merely because the appointee had had a very distinguished military service. I do not think any intention has yet been planted in the mind of the Administration, much less has it flowered

and fruited and become a reality, as respects whom it will appoint when the term of the present incumbent expires or he retires from office.

Hon. Mr. DANDURAND: The Bill also covers the appointment of wardens and deputy wardens.

Right Hon. Mr. MEIGHEN: I recall that the late Administration appointed a military man as warden at New Westminster Penitentiary. I hesitate at any time to criticize the late Administration, but if I were criticizing I certainly would not choose that instance as the point of my attack. That is the only other appointment of a military character that I can call to mind. Whether it was a successful appointment I am not sure, but at all events the honourable senator opposite (Hon. Mr. Dandurand) would have a more intimate knowledge of it than I have, for he took part in it. I would not criticize any appointment because of the military qualification of the appointee. Those wardens whom I happen to know personally have had no military experience. I should not consider it an essential, nor should I consider it a deterrent, in respect of the qualifications of any aspirant for such an office.

Hon. Mr. DANDURAND: I have an absolutely open mind in the matter, and my question was not intended as a criticism of such appointments. I simply desired to know whether a certain policy is behind the suggested change in the method of making these appointments.

Right Hon. Mr. MEIGHEN: It is a policy of keeping the responsibility for the appointees at the point where the responsibility for the result actually exists. The Minister is held responsible for everything that the guard, the warden and the superintendent do, and therefore it is thought that in respect of such officers he had better have some say as to who they shall be.

Hon. Mr. DANDURAND: Of course, that argument might cover a rather large constituency.

Right Hon. Mr. MEIGHEN: Oh, yes.

Hon. Mr. DANDURAND: I suppose the grave responsibility for the maintenance of order in the penitentiaries prompts the Government to ask for these exceptions in the method of making appointments?

Right Hon. Mr. MEIGHEN: That is it. There is certainly no desire that the appointment of those whose duties are clerical should

Right Hon. Mr. MEIGHEN.

be taken away from the Civil Service Commission. If in this respect the Bill needs amendment, that is all right. The Bill deals only with the appointment of those who are responsible for the maintenance of order in our penal institutions—institutions which are so difficult to manage.

Hon. Mr. LEWIS: Honourable senators, in the other Chamber the proposal to take this class of appointments out of the control of the Civil Service Commission was criticized as a return to patronage. The charge was denied, and it was said that the responsibility for such appointments would be with the Penitentiary Superintendent. I accept the statement as a bona fide declaration of the Government's intention, but I think it is highly important that such a change should carry with it the confidence of the public. In this respect it seems to me a rather unfortunate beginning of the new system—if I may refer again to the proceedings of the other House—that while the Bill was under consideration the new Superintendent and his report on the recent disturbances at Kingston Penitentiary were the subject of a very acrimonious debate. Perhaps the most severe attack of all came from a leading supporter of the Government. I refer to the matter only as it seems to me to strengthen the case for independent inquiry by some person entirely outside the official circle. Had such an inquiry been made by a Royal Commission, or some similar body, no such debate would have taken place in the other House.

To illustrate the same point: one of the charges made against General Ormond was that he had arbitrarily dismissed a number of officials without giving them a fair chance to justify themselves. That question could have been satisfactorily decided only by some person or body outside the official circle. One of the friends of General Ormond said it was unfair that he should be attacked in a place where he could not defend himself. That is a reasonable position to take: I think every man ought to be heard in his defence. But no tribunal would be capable of deciding between General Ormond and his assistants except such an independent body as I have mentioned.

Again I would urge upon the Government the desirability of appointing a Royal Commission or some similar body outside the official circle, to inquire not only into complaints about the administration of the penitentiaries, but into the whole question of prison discipline, and to receive suggestions in line with modern thought. I am aware that the Dominion Government is under a certain

disadvantage as compared with the provincial governments in dealing with this matter. In Ontario a youth found guilty of some trifling offence is placed under observation in a reformatory or some similar institution, where he is given every encouragement to become a good citizen. In that way the provincial authorities become acquainted with the life history of the abnormal person, much in the same way as a family doctor becomes acquainted with the life history of his patients. But when a convicted criminal is sentenced to a penitentiary term he is already embarked on a life of crime, though, if he be a young man, his reformation is not hopeless. Therefore it seems to me all the more expedient that the Dominion Government should be ready to accept outside advice in regard to prison discipline. I have no doubt that the right honourable gentleman (Right Hon. Mr. Meighen) will say no, just from force of habit; but I have an idea that eventually this course will be taken.

Right Hon. Mr. MEIGHEN: If I caught the last remark of my honourable friend (Hon. Mr. Lewis) it was that I presume to know these things from force of habit.

Hon. Mr. LEWIS: I beg my right honourable friend's pardon. I said he would say no from force of habit.

Right Hon. Mr. MEIGHEN: Unfortunately it has become almost a habit for me to say no to his suggestions as to discipline in our penal institutions. Whether the fault lies with me or with him, the House will have to decide. But the habit will have to continue while the character of his suggestions remains the same. I cannot pretend to any sympathy with the theory that in the maintenance of discipline in a penal institution the persons subject to that discipline must be given a right of appeal from the decision of officials immediately over them, on questions within the discretion of those officials. If it can be said that the inmates of a penal institution have such a right of appeal, then there is no longer any authority in that institution; it is transferred somewhere else, and all that was at the base of discipline is gone. In a school, for example, if a pupil has a right of appeal against any discipline which the teacher exercises within his discretion, and which is not forbidden by law, then the school becomes merely a wrangling aggregation. What applies there applies with double force to any institution such as a penitentiary. From a case between a convict and a guard, or the warden, I draw the same deduction as from a case between either of those officers and the

officer above to whom he is immediately responsible. The discretion of the officer above must be accepted, subject to such review as those superior to him care to exercise. On such principles, and such alone, can these penal institutions be maintained and perform the function they are supposed to perform in the economy of our life.

Hon. Mr. LEWIS: Honourable members, may I explain that I was not dealing particularly with the necessity of allowing to a prisoner a right of appeal from the warden or other penitentiary official; rather I had in mind the whole question of prison discipline and the importance of receiving suggestions and advice as to better methods of discipline.

Right Hon. Mr. MEIGHEN: I thoroughly agree that every responsible person in the whole structure of government should be ready to receive and seriously to consider advice, suggestions, and new ideas.

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

CONSIDERED IN COMMITTEE

On motion of Right Hon. Mr. Meighen, the Senate went into Committee on the Bill.

Hon. Mr. Beaubien in the Chair.

On section 1—Governor in Council to appoint Superintendent and inspectors:

Hon. Mr. DANDURAND: That is irrespective of any idea of promotion.

Right Hon. Mr. MEIGHEN: No doubt the rule of promotion will receive just as much consideration as before. I do not think promotion has played much part under the Civil Service Commission.

Hon. Mr. ROBINSON: The inspectors are new officials, are they not?

Right Hon. Mr. MEIGHEN: I really could not say. The Superintendent is a new official. If I had to give a statement at all with regard to the inspectors, I would say that usually they are from the institutions. They have, in the main, got their posts by way of promotion.

Hon. Mr. ROBINSON: Section 14 of the old Act does not say anything about the inspectors.

Hon. Mr. GRIESBACH: I think the complaint in the past has been that the inspectors have been appointed from clerical positions in the Penitentiaries Branch of the Department of Justice in Ottawa, and that they were wholly unsuited for the work. In the case of the Portsmouth Penitentiary, when a warden was

retired an inspector was put in charge. He was an accountant out of the Penitentiaries Branch of the Department of Justice, and had no qualifications for or experience in the work. A bank inspector is usually a promoted bank manager, and when he makes an inspection he has all the authority and all the qualifications of a man who knows how a bank manager should behave. I should hope that in future inspectors, if they are to be of higher rank than wardens, will be men who have been promoted from the position of warden. That is the only way I know of in which we may ensure that inspectors know how to inspect and how to make a real contribution to the penitentiary service.

Right Hon. Mr. MEIGHEN: The honourable gentleman opposite (Hon. Mr. Robinson) draws attention to the fact that inspectors are not provided for in the section repealed.

Hon. Mr. ROBINSON: But they are in section 20.

Right Hon. Mr. MEIGHEN: Yes, they are in a subsequent section.

Section 1 was agreed to.

On section 2—Governor in Council to appoint wardens, etc.:

Hon. Mr. GRIESBACH: Does that mean guards?

Right Hon. Mr. MEIGHEN: They are provided for in the next section.

Section 2 was agreed to.

On section 3—appointment of guards, trade instructors, etc.:

Right Hon. Mr. MEIGHEN: The recommendation of the warden is made necessary.

Hon. Mr. DANDURAND: Practically the whole personnel of the penitentiary is moved out of the control of the Civil Service Commission.

Right Hon. Mr. MEIGHEN: The personnel down to clerical assistants—no, not even to those. In the main, the clerical help will be what is left.

Section 3 was agreed to.

On section 4—departmental staff:

Hon. Mr. DANDURAND: What is the effect of section 23 of the Act?

Hon. Mr. ROBINSON: It is shown on the right-hand page of the Bill.

Section 4 was agreed to.

Hon. Mr. GRIESBACH.

On section 5—gratuities to retiring officers:

Right Hon. Mr. MEIGHEN: In this section the words "the rules" are stricken out, and are replaced by the words "any Act," because, as a matter of fact, provision is made by an Act and not by a rule.

In this connection I want to carry the Committee to section 6. I hope that after looking at that clause the Committee will agree to an amendment to clause 5. Subsection 1 of section 32 of the Act provides for a retiring allowance to certain officers, and subsection 2, which appears on the right-hand page of the Bill we are now studying, provides:

Such retiring allowance may be increased by one-half the amount thereof if the infirmity or injury which compels such officer to retire from the service is occasioned by any hurt received by him in the performance of his duty, without fault or negligence on his part, at the hands of any convict, or in preventing an escape or rescue, or in suppressing a revolt.

If he is hurt at the hands of a convict the gratuity may be increased by fifty per cent. The amendment proposed by clause 6 of the Bill says:

In no case shall the retiring allowance of any officer be so increased if he is eligible to receive compensation in respect of the infirmity or injury which has compelled his retirement from the service under and in virtue of the provisions of the Government Employees' Compensation Act.

That is to say, if he is entitled to compensation under the Government Employees' Compensation Act he is not to get an increase in the gratuity because of having been injured in the way I have described. The effect of all this is to leave the man who is not entitled to any increase even though he is not under the Government Employees' Compensation Act, in the same position as the man who received his injury in the creditable performance of a dangerous duty. I think there should be an amendment to provide that the man who receives his injury in the creditable performance of his duty should have an advantage. I therefore propose that there be added after section 5 of this Act—the section which we are now studying—the following:

Subsection 1 of section 32 of the said Act is amended by adding thereto the following proviso:

Provided that the retiring allowance authorized by this subsection shall not be paid to any officer if he is eligible to receive compensation in respect of the infirmity or injury which has compelled his retirement from the service under and in virtue of the provisions of the Government Employees' Compensation Act.

If we pass this amendment, which I will ask the honourable senator behind me (Hon. Mr. Griesbach) to propose, and then pass section 6, the effect will be that the man who has

rendered no special service will not get the gratuity if he comes under the Superannuation Act, but the man who is entitled to the fifty per cent increase in his gratuity because of extraordinary services will lose, not his gratuity, but the fifty per cent increase, if he comes under the Government Employees' Compensation Act. That will still give him an advantage to which his conduct entitles him.

Hon. Mr. GRIESBACH: I move that amendment.

Hon. Mr. DANDURAND: I have not the text of the amendment before me, and although the explanation may be perfectly clear, I confess that I do not understand it. I will accept the amendment, however, if the third reading is postponed until to-morrow so that I may have an opportunity to read over the amendment.

Right Hon. Mr. MEIGHEN: Very well.

The amendment was agreed to, and section 5 as amended was agreed to.

Section 6 was agreed to.

On section 7—saving of eligibility for gratuity:

Right Hon. Mr. MEIGHEN: This is simply a better and more detailed statement of the law that is set out on the right-hand page of the Bill. It is rendered necessary by the fact, among other things, that there are two Acts, the Civil Service Superannuation Act and the Civil Service Superannuation and Retirement Act. Only one of them is referred to in the Penitentiaries Act as it now stands.

Section 7 was agreed to.

On section 8—no gratuity payable under Civil Service Act:

Right Hon. Mr. MEIGHEN: This also is to avoid duplication of gratuity.

Section 8 was agreed to.

On section 9—confinement of convicts; period of confinement not to be computed as time served:

Right Hon. Mr. MEIGHEN: The period of confinement is not computed under the present law, but if this amendment is passed there will be a computation of any time that a convict is detained pending an appeal by the Attorney-General or counsel for the Crown.

Section 9 was agreed to.

The preamble and the title were agreed to. The Bill was reported, as amended.

PRIVATE BILLS

SECOND READINGS

Bill 42, an Act respecting the Algoma Central and Hudson Bay Railway Company.—Hon. Mr. Gordon.

Bill 56, an Act respecting the Nipissing Central Railway Company.—Hon. Mr. Gordon.

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

THE SENATE

Wednesday, April 12, 1933.

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

Prayers and routine proceedings.

PRIVATE BILLS

REPORT OF COMMITTEE—THIRD READING

Right Hon. G. P. GRAHAM presented the report of the Standing Committee on Railways, Telegraphs and Harbours on Bill Q, an Act respecting the Quebec, Montreal and Southern Railway Company, with several amendments, and moved concurrence therein.

The motion was agreed to.

Right Hon. Mr. GRAHAM moved the third reading of the Bill.

He said: Honourable senators, this is a Bill which originated here and has to go to the other House, and as we expect to adjourn to-day for about a week, I should like to have the third reading now, if no honourable member objects. The amendments provide for the payment of all debts of the company to the satisfaction of the Secretary of State.

Right Hon. Mr. MEIGHEN: This is the Bill presented by the honourable senator from De Salaberry (Hon. Mr. Béique)?

Right Hon. Mr. GRAHAM: Yes.

Right Hon. Mr. MEIGHEN: It is perfectly agreeable.

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

REPORT OF COMMITTEE—THIRD READING

Hon. G. H. BARNARD presented the report of the Standing Committee on Miscellaneous Private Bills on Bill 47, an Act respecting the Canadian Anthracite Coal Company, Limited, with one amendment, and moved concurrence therein.

Right Hon. Mr. MEIGHEN: Honourable members, the effect of the amendment is to

delete from the main operative clause of the Bill ratification by this Parliament of a certain agreement. This ratification seemed to me to be purely a matter for the province, and therefore beyond our legislative power. That is why I called attention to the constitutionality of the Bill when it was first presented. Certainly there is no objection to the amendment.

The motion was agreed to.

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

Hon. Mr. BARNARD: In view of the impending Easter adjournment, I move, with the leave of the Senate, that this Bill be now read the third time.

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

THIRD READING

Bill 49, an Act respecting a certain patent application of Fred Charles Fantz.—Hon. Mr. Barnard.

THE ROYAL ASSENT

The Hon. the SPEAKER informed the Senate that he had received a communication from the Assistant Secretary to the Governor General, acquainting him that the Right Hon. Lyman P. Duff, Chief Justice of Canada, acting as Deputy of the Governor General, would proceed to the Senate Chamber this day at 5 p.m. for the purpose of giving the Royal Assent to certain Bills.

APPROPRIATION BILL NO. 3

THIRD READING

Bill 72, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1934.—Right Hon. Mr. Meighen.

CRIMINAL CODE (OFFENSIVE WEAPONS) BILL

THIRD READING

Bill 53, an Act to amend the Criminal Code (Offensive Weapons), as amended.—Right Hon. Mr. Meighen.

PENITENTIARY BILL

THIRD READING

Bill 59, an Act to amend the Penitentiary Act, as amended.—Right Hon. Mr. Meighen.

Right Hon. Mr. MEIGHEN.

ROYAL CANADIAN MOUNTED POLICE BILL

SECOND READING

The Senate resumed from Thursday, April 6, the adjourned debate on the motion for the second reading of Bill 58, an Act to amend the Royal Canadian Mounted Police Act.

Hon. Mr. GRIESBACH: My recollection is that I was remonstrating with the right honourable leader of the House because the explanation he had just given did not fit the Bill. I think the right honourable gentleman might now tell us what his explanation was about.

Right Hon. Mr. GRAHAM: You are becoming very unreasonable.

Right Hon. Mr. MEIGHEN: The explanation fitted the Bill which was handed to me by officials of this House who received it from officials of the Lower House. I have now received from the officials an entirely lucid explanation of the error which occurred, the details of which, I think, would not be of much interest to the Senate. I may say that the honourable gentleman from Brandon (Hon. Mr. Forke) was quite right when he informed me that what I was seeking to elucidate was not the Bill which had passed the House of Commons. The elucidation is no less meritorious merely because it did not apply to this Bill.

While this measure does not contain the clause which was the main subject of discussion last week, on the motion for second reading, it does contain several other very important clauses. If honourable members wish me to take the time to explain them now, I shall do so; but as it is my intention, after the second reading, to move that the House go into Committee of the Whole, I fancy an explanation given when the Bill is taken up clause by clause will be more in order. There is no special principle contained in the Bill. There are several features, each of them independent of the others.

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

CONSIDERED IN COMMITTEE

On motion of Right Hon. Mr. Meighen, the Senate went into Committee on the Bill.

Hon. Mr. Beaubien in the Chair.

On section 1—Governor in Council to determine rates of pay:

Hon. Mr. DANDURAND: Who determined the rates of pay before?

Right Hon. Mr. MEIGHEN: The Governor in Council determined the rate of pay, but the clause read somewhat differently. It said the Governor in Council could make regulations which would be effective, and which would be deemed to have been effective since the 31st day of May, 1924. The only change in this is the deletion of all the words following the word "Force." The wording of the section as it stands might be interpreted to mean that any future change in rates of pay or allowances would have to be antedated to the 31st of May, 1924. The only purpose of the amendment is to preclude any such interpretation.

Section 1 was agreed to.

On section 2, new section 21, subsection 1—fines and forfeitures earned by members of the Force to be paid to the Minister:

Right Hon. Mr. MEIGHEN: This is important. In the past these fines and forfeitures and the proceeds of seizures were transmitted to the headquarters of the Royal Canadian Mounted Police at Ottawa for deposit in the Benefit Trust Fund. It is now considered desirable, in addition to this, that no member of the Force should be permitted to retain any moneys, fees or other remuneration or commission, over and above his salary, for any extra work performed by him, but that these moneys should be deposited to the credit of the Royal Canadian Mounted Police Benefit Trust Fund, which is under the control of the Minister and is used for the benefit of members of the Force as a whole and the families of deceased members.

Subsection 1 was agreed to.

Subsections 2 and 3 were agreed to.

On subsection 4—regulations:

Hon. Mr. DANDURAND: What is this?

Right Hon. Mr. MEIGHEN: This has to do with the making of regulations relating to this trust fund.

Subsection 4 was agreed to.

On section 3—punishment of offences by non-commissioned officers and constables:

Right Hon. Mr. MEIGHEN: As this section stands at present, any reduction in rank is confined to non-commissioned officers. The purpose of the amendment is to make the reduction in rank applicable to constables, who are divided into three classes—first, second and third. Without this amendment they cannot be demoted.

Section 3 was agreed to.

On section 4—Governor in Council may determine amount of allowance for purposes of pension:

Hon. Mr. DANDURAND: Would the right honourable gentleman explain?

Right Hon. Mr. MEIGHEN: The purpose of this amendment, to put it in my own words instead of the words of the memorandum which I hold, is to enable the Governor in Council to fix uniformly, by regulation, the basis on which remuneration may be estimated for pension purposes. In deciding whether special remuneration is to be included with the salary when the amount of a man's pension is determined, much depends on location, rank and other circumstances. Some men get free residence, depending upon where they are stationed. Under this amendment the Governor in Council may by regulation adjust the basis so that the man who has an advantage in respect of residence will not be able to have that advantage computed as an allowance which would increase his pension and make it higher than that which another man, of equal merit, would receive. As a Minister I have often had the case come before me of a man getting, say, \$2,000 and a free house, who, had it not been for the free house, would have been getting, say, \$3,000. He would compute his right to pension on the basis of a remuneration of \$3,000. When the time for pension came he would always want to say, "The value of this house per year was part of my remuneration." The purpose of this subsection is to enable the Governor in Council by regulation to put all officers of the force on the same basis, so that there may never be any dispute on this point in respect of the Mounted Police.

Section 4 was agreed to.

On section 5, new subsection 7 of section 48—time served in South Africa may be included:

Right Hon. Mr. MEIGHEN: This gives the Mounted Police officers the same privilege that members of the permanent corps of the active militia have.

Hon. Mr. DANDURAND: I believe that under the present law only officers of certain grades have the privilege of including the time they served in South Africa in their term of service for the purposes of their pension. This section would extend the same privilege to Mounted Police officers. It is now some thirty-three years since the South African War ended, and as this amendment would lead to an additional burden upon the treasury, I wonder why it is proposed at this

time, when there is an effort to restrict expense, even in the matter of pensions.

The CHAIRMAN: Shall this subsection carry?

Right Hon. Mr. MEIGHEN: I should not like to have it carry at present, over the protest of the honourable gentleman.

Hon. Mr. DANDURAND: Of course, I do not know how large a sum would be involved in the passing of the section. I have no knowledge as to the number of men affected.

Hon. Mr. GRIESBACH: The South African War ended about thirty-three years ago, as my honourable friend says, and that period is sufficient to enable members of the Mounted Police who served in that war and have been on the Police force ever since to qualify for pension. That is the reason the amendment is proposed now. It will be remembered that in the closing days of 1899 there were organized in Canada for service in South Africa two cavalry regiments, one based on the Royal Canadian Dragoons, and the other, the Second Canadian Mounted Rifles, on the Royal North West Mounted Police. Some 160 or 170 members of the Police force joined the Mounted Rifles and a number of them, after serving in South Africa, returned to the force, while others remained with the regiment. Some Canadians who served in other units in South Africa also joined the force. The subsection provides that Mounted Police officers shall have any time they spent in the South African campaign included in their term of service for the purposes of pension under this Act. I should say that not more than a few dozen officers and men would be affected by the amendment.

Hon. Mr. DANDURAND: Could we not have a statement as to the extra expense the amendment would involve?

Right Hon. Mr. MEIGHEN: We could, but it is a question of whether the amendment is right, and not of how many persons would benefit from it. Since the honourable gentleman has raised the question, there is one point on which I am not satisfied. It is quite right that a man who went from the Mounted Police to a South African regiment should have the time he spent as a soldier counted for the purpose of pension, but as the section reads now I am not quite certain that it is restricted to such men.

Hon. Mr. GRIESBACH: The section would apply also to officers who joined the Mounted Police force for the first time after they returned from South Africa.

Hon. Mr. DANDURAND.

Right Hon. Mr. MEIGHEN: I do not see why it should.

Hon. Mr. GRIESBACH: Well, in our superannuation law there is a provision that service in various departments may be computed for purposes of pension. And in the permanent corps of the active militia service in South Africa counts towards pension. Therefore it could be argued that such service should be computed for pension purposes in the Mounted Police, which is also a military force.

Right Hon. Mr. MEIGHEN: That could be argued, but it would not convince me. I do not feel satisfied with the wording, and I suggest that we defer consideration of this subsection.

New subsection 7 stands.

On section 5, new subsection 8 of section 48—time with the military forces.

Right Hon. Mr. MEIGHEN: This is all right. It means that if in respect of the time served in the military forces a pension has already been granted, that time shall not count in the term of service for the purposes of pension in the Mounted Police.

Subsection 8 was agreed to.

Section 6 was agreed to.

On section 7, new subsection 4 of section 67—time served in South Africa may be included:

Hon. Mr. DANDURAND: Just what does this mean?

Hon. Mr. GRIESBACH: This is the same as the first part of section 5 of the Bill, only this refers to constables, while section 5 refers to officers.

Right Hon. Mr. MEIGHEN: Well, this should stand along with the first part of section 5. I presume that if we had before us a copy of the Act that is being amended we should see that the time served in South Africa is computed for pension purposes only when it is part of a continuous service. But as the amendments read by themselves, there is nothing to show that a man who joined the force ten years after the South African War could not have any time that he served in South Africa included for purposes of pension under this Act. I want to be sure that such a thing is not possible.

Hon. Mr. GRIESBACH: In the permanent force that is done.

Right Hon. Mr. MEIGHEN: That may be all right, because the man on the permanent force is in military service, but it seems to me to be absurd that a man who joined the Mounted Police a number of years after the South African War ended could have any time that he served in South Africa added to the time he has since served with the Mounted Police, when his pension is being considered.

New subsection 4 stands.

Right Hon. Mr. MEIGHEN: I move that the Committee rise and report progress.

Hon. Mr. MacARTHUR: Honourable members, before the Committee rises I should like to have one or two points cleared up by the right honourable leader of the House, or perhaps the honourable gentleman from Edmonton (Hon. Mr. Griesbach). Suppose that a man who served in South Africa joined the Mounted Police immediately on his discharge from the army, would he have the same status for purposes of pension as a man who joined the Mounted Police at the same time that the soldier enlisted?

Right Hon. Mr. MEIGHEN: According to this amendment, each would be in exactly the same position if they both entered the service at the same time and A went to South Africa for two or three years, while B remained on the force here. But I am not satisfied that the section would not enable a man who served in South Africa, but who did not join the Mounted Police until, say, 1909, to have his period of time in South Africa computed with his time in the Mounted Police for purposes of pension.

Hon. Mr. MacARTHUR: That is one of the points that bother me. Another question I should like to ask is: what is the minimum age at which a man can enter the Mounted Police service?

Hon. Mr. GRIESBACH: According to the Act the age limit is from 18 to 40. But men are not taken at 18 as a rule, unless they lie about their ages, and generally speaking a man over 30 is not accepted now. The age limit may be stated as being, in practice, from 22 to 30.

Progress was reported.

PRIVATE BILL

SECOND READING

Hon. Mr. DONNELLY moved the second reading of Bill 51, an Act to incorporate Devonshire Jockey Club.

Hon. Mr. GILLIS: Explain.

Hon. Mr. DONNELLY: Honourable members, I am making this motion on behalf of the honourable senator from Essex (Hon. Mr. Lacasse). The Devonshire race-track was for a number of years operated by the Western Racing Association, which got into financial difficulty and had a deficit to the extent of some \$235,000. In an attempt to salvage as much as possible out of the investments the creditors have organized the Devonshire Jockey Club and taken over the assets of the old company. But they find that these assets will be of very little value to them unless they also get the charter rights of the Western Racing Association, and this Bill would give them those rights. I may say that the measure was introduced in another place and referred to the Committee on Miscellaneous Private Bills there before being passed. I suggest that after second reading here it be sent to our Committee on Miscellaneous Private Bills, where any further information required could be obtained.

Right Hon. Mr. MEIGHEN: The object of the Bill is merely to preserve the main asset, namely the charter, for the company.

Hon. Mr. DONNELLY: Their contention is that the other assets would be of very little value unless they had the charter rights.

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

On the motion to adjourn during pleasure: COMMITTEE ON AGRICULTURE AND FORESTRY

POWER TO MEET DURING ADJOURNMENTS

Hon. Mr. DONNELLY: Notices have been sent to honourable senators who are members of the Agriculture Committee, calling for a meeting of this committee immediately after the Senate rises. I believe we are to have a little time at our disposal now, while the House is adjourned, and as the purpose of meeting is merely to decide when to resume after the Easter recess, I suggest that we meet immediately on adjournment during pleasure.

Right Hon. Mr. MEIGHEN: I agree entirely with the suggestion. I think this committee should be empowered to meet during adjournments of the House, for the reason that it may desire to continue work on its very important task before we re-assemble. I therefore move that the Standing Committee on Agriculture and Forestry have power to meet during adjournments of the House.

The motion was agreed to.

SHIPPING BILL—EASTER RECESS

Hon. Mr. DANDURAND: When does the right honourable leader propose that the House should re-assemble after Easter?

Right Hon. Mr. MEIGHEN: As all honourable members well know, the principal measure that we have to consider is the Shipping Bill, Bill J, which at present is before the Committee on Banking and Commerce. The committee has realized the magnitude of the task involved in dealing with the Bill, and the difficulty of getting through with it this session has become more and more apparent. I have been seeking an opportunity to discuss with members of the Government to-day the whole problem, but chiefly that feature of it which requires a decision as to whether we are to continue with our determination to dispose of the measure this session. So far to-day I have not been able to bring matters to the point of actual discussion, because of certain special events, but I hope to do so later in the afternoon. The subject is of importance to us at the moment because if we persist in our resolve to dispose of the measure this session we should perhaps meet earlier after the Easter recess than would otherwise be necessary. In this indeterminate state of affairs, I think it advisable to ask the House to agree to an adjournment until next Wednesday evening at eight o'clock. Meantime notices will go out from the Clerk of Committees to the members of the Banking and Commerce Committee calling them together for their next meeting. The date will be fixed after the Cabinet has decided whether or not the Shipping Bill shall be proceeded with this session.

Hon. Mr. MacARTHUR: Honourable members, from the remarks of the right honourable gentleman (Right Hon. Mr. Meighen) I take it that but for the uncertainty with regard to the Shipping Bill there would probably be a longer Easter adjournment. It would be presumptuous for anyone on this side of the House to suggest to the Government what it should do in the premises, but I think it is generally understood among the members of both Houses that the Shipping Bill will not be put through this session. This being so, I would suggest to the right honourable gentleman that we meet again to-morrow. Then, presumably, he will be in a position to state definitely whether the Bill is to be proceeded with further this session or not. If it is to be withdrawn until next session, the Senate might very well adjourn for a

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longer period. My personal convenience is not affected one way or the other, but I do not think the length of the adjournment should depend entirely on the Shipping Bill.

Right Hon. Mr. MEIGHEN: The Shipping Bill is certainly of sufficient importance to warrant our coming back next Wednesday; but I am in the hands of the House. If the House would rather adjourn to meet to-morrow, or even to-night, it is not at all impossible that the disposition of the Shipping Bill that I would recommend to the Senate might then be stated, and we could adjourn then for a longer period. If it is the desire of the House to meet again, say at 8 o'clock—

Some Hon. SENATORS: Hear, hear.

Right Hon. Mr. MEIGHEN: —it is quite possible that we might then be able to arrange for a longer adjournment.

The Senate adjourned during pleasure.

THE ROYAL ASSENT

The Right Hon. Lyman P. Duff, the Deputy of the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Right Hon. the Deputy of the Governor General was pleased to give the Royal Assent to the following Bills:

An Act to make provision with respect to Forces of His Majesty from other parts of the British Commonwealth or from a colony when visiting the Dominion of Canada; and with respect to the exercise of command and discipline when Forces of His Majesty from different parts of the Commonwealth are serving together; and with respect to the attachment of members of one such force to another such force, and with respect to deserters from such forces.

An Act for the relief of Auguste Burdayron.

An Act for the relief of Nora Tulloch Carr.

An Act for the relief of Alberta Grace Wood.

An Act for the relief of Hilda Nice Allen.

An Act for the relief of Mary Louise Robinson Reid.

An Act for the relief of Elizabeth Bernstein Schmerling.

An Act to amend and consolidate the several Acts relating to the Board of Trade of the City of Toronto.

An Act respecting a certain Patent application of Fred Charles Fantz.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1934.

The Right Hon. the Deputy of the Governor General was pleased to retire.

The House of Commons withdrew.

The sitting of the Senate was resumed.

SHIPPING BILL—EASTER RECESS

Right Hon. Mr. MEIGHEN: Honourable senators, it seems to me that to follow the suggestion of the honourable senator from Prince (Hon. Mr. MacArthur) might add to our convenience later, and in pursuance of it I propose that we call it 6 o'clock, and resume at 8.

At 6 o'clock the Senate took recess.

The Senate resumed at 8 p.m.

Hon. Mr. CALDER: Honourable members, I move:

That when the House adjourns to-day it stand adjourned until Tuesday, the 25th of April, at 3 p.m.

The right honourable leader of the House (Right Hon. Mr. Meighen) is unable to be present. I understand that a statement was to be made to-night in reference to the Shipping Bill. Personally, I am not acquainted with the decision that was reached in reference to it. I have heard, indirectly, there is a likelihood that the Bill as presented to this House will not be proceeded with, but that another Bill will be introduced to make certain necessary amendments to the existing shipping law.

The motion was agreed to.

The Senate adjourned until Tuesday, April 25, at 3 p.m.

THE SENATE

Tuesday, April 25, 1933.

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

Prayers and routine proceedings.

PRINTING OF PARLIAMENT

REPORT OF COMMITTEE

Hon. SMEATON WHITE presented the first report of the Joint Committee of both Houses on the Printing of Parliament, and moved concurrence therein.

He said: Honourable senators, this report contains a long list of documents, covering thirty-four pages, and recommends the printing of only one report. We have recommended that the report of the Commission on the tanker Cymbeline, of Montreal, be printed in English and French, under the same cover. It is quite small, comprising only about twenty pages.

The motion was agreed to.

GOVERNMENT SALARIES AND WAR PENSIONS

ORDER FOR RETURN

Hon. Mr. COPP, for Hon. Mr. Sinclair, moved:

That a return do issue showing:

1. (a) What was the total amount paid by the Government of Canada in salaries to both the inside and outside Civil Service, including all boards and commissions financed by the Government, for the year ending March 31, 1933? (b) What saving was effected in the same salaries by the ten per cent reduction?

2. What was the total amount paid by the Government of Canada in pensions for war service in the fiscal year ending March 31 1933?

The motion was agreed to.

ROYAL CANADIAN MOUNTED POLICE BILL

FURTHER CONSIDERED IN COMMITTEE

The Senate again went into Committee on Bill 58, an Act to amend the Royal Canadian Mounted Police Act.—Right Hon. Mr. Meighen.

Hon. Mr. McLennan in the Chair.

On section 5, new subsection 7 of section 48—time served in South Africa may be included:

Hon. Mr. DANDURAND: The right honourable gentleman was to give some explanation as to the purport and extent of this clause.

Right Hon. Mr. MEIGHEN: This clause was allowed to stand in order that further consideration might be given by honourable members to a point which was raised. Under the law as enacted by clause 5 anyone joining the Mounted Police at any time after the South African War would be entitled, in estimating the amount of his pension upon retirement, to include the period of his service in that war. The question was raised whether it was right to enact that a member of the Mounted Police who joined that force after his return from the South African War—it might be ten years after—should be entitled to have his South African service added to his service in the Mounted Police in the calculation of his pension. The reason advanced for this proposed enactment—it was expressed in this House by the honourable senator from Edmonton (Hon. Mr. Griesbach) and has been urged upon me since—was that for the purpose of estimating pensions members of the militia are entitled to have their South African service included, even though they came into the militia after the South

African War was over. In other words, the right which this provision seeks to give to the Mounted Police in regard to pension matters has already been given to the militia.

The questions before the Committee are, first, whether it was right to enact such a provision with respect to the militia, and, second, if so, whether it necessarily follows that it is right with respect to the Mounted Police. If it was not right then, it is not right now. The argument advanced to me is merely an argument by way of analogy between the Mounted Police and the militia. I think I owe it to the Committee to say that I have not changed my opinion as expressed when we considered this question before, and I should find great difficulty in defending the subsection as it is.

Hon. Mr. CASGRAIN: Does the right honourable gentleman think that a member of the force should be able to count the time he was on active service in South Africa, so long as the period intervening between the close of the Boer War and the date of his joining the force—ten years, or whatever it might be—is not counted?

Right Hon. Mr. MEIGHEN: That intervening period of ten years, or whatever it might be, could not be counted in any event. Only the time spent on active service is referred to here. The question is whether Parliament wants to legislate that a man who joined the Mounted Police force only after the end of the Boer War—one month, one year, ten years, or any length of time afterwards—should be able to have the time he served in South Africa included in his term of service for the purpose of computing his pension under this Act.

Right Hon. Mr. GRAHAM: How many men would be affected?

Right Hon. Mr. MEIGHEN: Twenty to twenty-five.

Hon. Mr. DANDURAND: The same opinion that my right honourable friend (Right Hon. Mr. Meighen) has expressed occurred to me when the Bill first came before us. I can see no possible justification for such a retroactive provision, or for the giving of such a bounty to men who have been favoured with an appointment on the Mounted Police force. They have had the advantage of holding a Government position and of being employed steadily, and have not been affected by the lean years. This question arises in my mind: How could we justify such a preference to a few men over the treatment given to the several thousand other men who

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served in South Africa and on their return went into private life? Nobody would suggest that those others should be given a bounty now. If the principle of this section is endorsed here, shall we not in the near future be asked to give a bounty to all the men who served in the Boer War and are now in private life? My right honourable friend says that the same principle is already embodied in the Militia Act. Well, it may have been agreed to in a year of plenty, or that part of the Militia Act containing this principle may have passed this Chamber without receiving much attention. I confess there are times when we pass such legislation without critical analysis. But in view of the present condition of our finances, I wonder whether the country would acquiesce in what is proposed in this section.

Hon. Mr. CALDER: Honourable members, I did not hear the discussion on this section the other day, and I must say that I was unaware there was any such provision in connection with militia pensions as that referred to by the right honourable leader. It seems to me from what has been said to-day that the principle involved in this section is unsound, and I doubt very much the advisability of passing legislation of this kind at present. As the honourable gentleman opposite (Hon. Mr. Dandurand) has stated, we do not know where it would lead. I am, and always have been, in favour of giving proper pensions, but every false move that Parliament makes in such matters only leads to further demands. The continual piling up of burdens one after another, in the past, has had much to do with bringing the country where it is to-day. We in Canada do not want to get into a position like that prevailing south of the border; everybody who understands the situation hopes that we shall be able to keep from going so far. But unless Parliament is sane and sound enough to resist what may be classed as—I will not say altogether improper applications, but applications that are not quite right, in the course of time we must inevitably drift into such conditions as exist elsewhere. With our financial position as it is to-day, we could not stand those conditions. I cannot see that there would be any injustice in not giving the right that is asked for here to men who joined the Mounted Police force only after the South African War had ended.

Right Hon. Mr. GRAHAM: Will it be objected by someone that this is a money Bill and the Senate has nothing to do with it?

Hon. Mr. CALDER: I hardly think so. We have not had much difficulty in that direction. Personally I shall not support this section.

Hon. Mr. DANDURAND: I may tell my right honourable friend to my left (Right Hon. Mr. Graham) that it is a privilege of this Chamber to reduce votes, though we have no power to increase them.

Right Hon. Mr. MEIGHEN: I am in the hands of the Committee. I suggest that if it is decided to act in line with the arguments of the honourable senator opposite (Hon. Mr. Dandurand) and the honourable senator to my left (Hon. Mr. Calder), the proper procedure would be to amend subsection 7 by adding after the word "may" in line 10 the words:

in the case of persons who were members of the Royal North West Mounted Police at the time of enlistment for such service in South Africa.

Hon. Mr. DANDURAND: I should not object to that.

Right Hon. Mr. MEIGHEN: I think it would not do to strike out the clause, because subsection 8, which is a restriction and not an enlargement, is necessary, and if we struck out subsection 7 the men who went from the force to South Africa could not include in their term of service the time they spent there. In this view I may possibly be wrong, but, on the assumption that they could not, I think the proper amendment would be as I have suggested.

Hon. Mr. DANDURAND: Would it not be advisable to add, "and who returned to the service," at the end of the amendment proposed by the right honourable gentleman? Suppose a member of the force enlisted for South Africa and resigned from the force, but returned some years later.

Right Hon. Mr. MEIGHEN: I should be agreeable to including such a man, because otherwise the time he spent in South Africa would be time lost from his period of service in the force.

Hon. Mr. DANDURAND: Suppose a man resigned from the force and remained in South Africa or lived elsewhere for a number of years, but later returned and rejoined the force.

Right Hon. Mr. MEIGHEN: Yes, I think the time such a man spent in South Africa should be counted, because if he had not been in South Africa he probably would have been on the force. I have no reason to believe there is any such case. Any man who went

from the force to South Africa should, I think, have the time he spent in South Africa counted for the purpose of pension if he later returned to the force. That is in line with the principle we have usually adopted in the case of our young men who went to war. But I feel it would be going too far to say that a man who had served in South Africa and joined the force for the first time after the Boer War ended—perhaps a number of years after—should have the time he spent in South Africa included when his pension is being computed under this Act.

Hon. Mr. BLACK: Honourable senators, is it or is it not the intention to place the Mounted Police on the same basis as the permanent corps of the militia? It will be seen on reference to the explanatory note that a similar provision does appertain to members of the permanent corps of the active militia. If I remember rightly, that has been so for a long time. I think this is the condition. A man may have served five years in the South African War and later joined the permanent militia; whereupon, for pension purposes, he would be credited with his South African service. By an amendment to the Militia Act a similar concession was made to those who served in the late War. For example, if a man served overseas for three years, and on his return to Canada joined the permanent militia and served seventeen years, he would be entitled to retire at the end of that period on the basis of twenty years' service. If the Mounted Police are to be placed on the same basis as the permanent militia, they are entitled to the same treatment; if not, there is no reason at all why we should enact this proposed legislation.

Hon. Mr. CALDER: Let us look at this other case. A young man, we will say, at the age of twenty-two volunteered for the South African War and served three years; then he came back to Canada and went into the Civil Service. Suppose he is entitled to retire at the end of eighteen years. Should he, for pension purposes, be allowed to add those three years to his eighteen years' service?

Hon. Mr. BALLANTYNE: No.

Hon. Mr. CALDER: I should say not. Take a case such as was previously cited. A man served two years in South Africa, and five years later joined the Royal Canadian Mounted Police. As I understand it, this Bill proposes that, for pension purposes, those two years should be added to his term of service in the Mounted Police. I must say frankly that I cannot agree with such a principle. I would go a little further: if that

principle is embodied in legislation affecting the militia force of Canada, I think the legislation should be repealed. There may be contracts and understandings with certain persons, but in my opinion that principle should never have been recognized.

Right Hon. Mr. MEIGHEN: So that no complaint can be made of failure to present the case, I shall read to the Committee the memorandum from the Commissioner. I may premise by saying that it appears from this memorandum that should the Committee decide against granting this time, then the right thing to do would be strike out clauses 5 and 7, because those men who were members of the Mounted Police Force at the time they went to South Africa are already covered.

This section—

That is, section 5.

—as well as section No. 7 deals with time served with the Canadian military forces in South Africa, and these sections, as they stand, would permit all officers and constables who so served, during the years mentioned, to count such service for pension purposes under the R.C.M. Police Act.

As the principle of allowing South African service to count has already been granted to members of the permanent corps of the Canadian militia, it is considered only fair that the same privilege should be extended to the R.C.M. Police, which, while it is a police force first, is trained in military duties and can be used as an auxiliary force.

With regard to cost, as close an estimate as can be made sets the number of officers and constables concerned as between 20 to 25 as a maximum. The average service in South Africa would be about one year, and in these circumstances,—

That is, assuming it is one year.

—the ultimate cost to the Canadian Government would not be more than an average increase in pension of one-fiftieth for each of the officers and constables concerned, which is relatively small.

It should be added that all members of the North West Mounted Police Force on active service with the Canadian Volunteers in South Africa are allowed to count such active service as served in the Force under the authority of Chapter 19 of the 1900 statutes, and the purpose of sections 5 and 7 above referred to is to permit all officers and men at present serving in the Force and who served in the South African campaign to count such service for pension purposes whether they were in the Force before or after the South African War.

The South African War is too far distant to permit any others over and above the 20 to 25 present members receiving this privilege.

That is the entire memorandum, and I think we may assume that it embraces the whole case that can be made for these two sections.

Hon. Mr. DANDURAND: After hearing the memorandum read, it strikes me that this

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is a petty matter to bring before Parliament. I do not think Parliament should be asked to recognize such a principle.

Right Hon. Mr. MEIGHEN: I am disposed to agree with the honourable senator to my left (Hon. Mr. Calder) that the principle should never have been embodied in the Militia Act.

Hon. Mr. BALLANTYNE: Supposing a young man served in the South African War, and later in the Great War, and then joined the Mounted Police, could he include such war service in his term of service for pension purposes?

Hon. Mr. BLACK: He would be beyond the age limit.

Hon. Mr. BALLANTYNE: I am taking a young man of seventeen or eighteen.

Right Hon. Mr. MEIGHEN: He would be too old then to join the Mounted Police.

The CHAIRMAN: Is it the pleasure of the Committee to adopt the amendment?

Hon. Mr. DANDURAND: I think the right honourable leader of the House does not press the amendment.

Right Hon. Mr. MEIGHEN: I did not move any amendment; I merely suggested what I considered was the right procedure. After reading the memorandum more carefully, especially the second last paragraph, I think no provision is needed in order to preserve the rights of those who were members of the Mounted Police when they went to war. Those rights are granted by the 1900 statute. So if the Committee is opposed to this principle, clauses 5 and 7 should be stricken out.

The CHAIRMAN: Shall clauses 5 and 7 of this Bill pass?

Right Hon. Mr. GRAHAM: No.

Hon. Mr. CASGRAIN: I move that clause 5 be stricken out.

The motion was agreed to.

On section 7—time served in South Africa may be included:

Hon. Mr. CASGRAIN: I move that clause 7 be stricken out.

The motion was agreed to.

The preamble and the title were agreed to.

The Bill was reported, as amended.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

CANADA SHIPPING BILL

On the motion to adjourn:

Right Hon. Mr. MEIGHEN: Honourable members, I think I owe it to the House to intimate that the Committee on Banking and Commerce—which has charge of the very important measure now before the Senate, namely, Bill J, respecting shipping in Canada—is to meet to-morrow morning at ten-thirty. The Committee will then consider reporting against the further prosecution of this most extensive Bill this session. It is hoped that if the Committee so reports, as I anticipate it will, there will shortly be introduced another measure, which is at present under consideration, and is of a very restricted character, having relation to Canadian shipping only, and taking the form of amendments to the present Act.

Right Hon. Mr. GRAHAM: Will that measure be introduced in the Senate?

Right Hon. Mr. MEIGHEN: Yes, the purpose is to introduce in this House whatever measure is gone on with this session.

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

THE SENATE

Wednesday, April 26, 1933.

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

Prayers and routine proceedings.

CANADA SHIPPING BILL

WITHDRAWN

Hon. F. B. BLACK, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill J, an Act respecting Shipping in Canada, and moved concurrence therein:

The Government having expressed a desire to withdraw the said Bill, the Committee beg leave to return the Bill to the Senate and to recommend that leave to withdraw be granted.

He said: I may say, honourable senators, that a very clear statement as to the withdrawal of this Bill was made by the right honourable leader of the House to the members who were present at the meeting of the

Banking and Commerce Committee this morning. As this is a Government measure, I leave any further comment to the right honourable gentleman.

The motion was agreed to.

On motion of Right Hon. Mr. Meighen, the Bill was withdrawn.

PURCHASE OF RADIO STATIONS

RESOLUTION OF APPROVAL

The Hon. the SPEAKER: Honourable senators, a message has been received from the House of Commons reading as follows:

Resolved that a message be sent to the Senate informing Their Honours that this House has adopted a resolution (hereto annexed) approving the purchase of the radio broadcasting stations and equipment of the Canadian National Railways by the Canadian Radio Broadcasting Commission for the sum of \$50,000, and requesting that Their Honours will unite with this House in the approval of said purchase.

The annexed resolution reads:

Resolved that pursuant to the provisions of the Canadian Radio Act, 1932, the House of Commons hereby approves the purchase of the radio broadcasting stations and equipment of the Canadian National Railways by the Canadian Radio Broadcasting Commission for the sum of \$50,000.

Right Hon. Mr. MEIGHEN moved:

Resolved that pursuant to the provisions of the Canadian Radio Broadcasting Act, 1932, the Senate of Canada hereby approves the purchase of the radio broadcasting stations and equipment of the Canadian National Railways by the Canadian Radio Broadcasting Commission for the sum of \$50,000.

Hon. Mr. DANDURAND: Will the right honourable gentleman explain?

Right Hon. Mr. MEIGHEN: As honourable members know, the Parliament of Canada passed in 1932 an Act establishing the Radio Broadcasting Commission and giving certain powers and duties to that body. Thereby this country adopted the principle of government supervision of radio broadcasting in the Dominion. The adoption of this principle followed upon the report of a commission appointed in, I think, 1928, and headed by Sir John Aird, and was pursuant to the recommendation of a committee of the other House which investigated the entire subject of radio broadcasting in this country.

Honourable members will also be aware that some years ago—the initiating year I cannot recall, but it was long prior to the inquiry by the Aird Commission—the management of the Canadian National Railways launched upon a somewhat pretentious plan of radio broad-

casting, and established stations across the Dominion—one each at Halifax, Moncton, Montreal, Ottawa and Vancouver. Two of those stations are of considerable power and magnitude. The capital cost of all the installations to the Canadian National Railways aggregated about \$132,000. So far as actual results were concerned, the company's experience in this enterprise was unfortunate, the losses on operation in the last four years having been as follows: 1929, \$441,000; 1930, \$420,000; 1931, \$326,000, and 1932, \$80,000.

The management of the company, in the exercise of its business judgment, decided to make the best sale that it could of these properties, and negotiations were conducted between the management and representatives of the Radio Broadcasting Commission. It was felt by the Commission that the acquirement of the stations, if it could be arranged on satisfactory terms, would be in full consonance with the principle upon which the Commission was constituted, as well as with the policy unanimously recommended by the committee of the other House. The negotiations resulted in a price of \$50,000 being agreed upon. This is considerably less than the original cost. I do not know just why the figure of \$50,000 was arrived at instead of, say, \$35,000 or \$80,000, or any other amount, but it may have been by this route. The company, in its presentation to the committee of the other House on this subject, placed a value of \$70,000 upon these properties, after taking into account obsolescence and depreciation. There has, of course, been further depreciation since, and, allowance being made for that, it would seem that \$50,000 would not be an unfair valuation at the date of acquirement. The earning power of these stations being considered in relation to capital cost, it certainly cannot be said that a figure higher than \$50,000 would be warranted.

The Act constituting the Canadian Radio Broadcasting Commission provides that the Commission may make only such expenditures as are authorized by Parliament. Authorization may be granted by an estimate being passed by both Houses. In the present instance this course was not followed, and consequently it is suggested that the authorization take another form, namely, a joint resolution of approval.

The subject has already been under discussion in the other House, the necessary resolution of approval has been passed, and, as read by you from the Chair, Mr. Speaker, the question now comes before us for consideration.

Right Hon. Mr. MEIGHEN.

Hon. R. DANDURAND: Honourable senators, I do not suppose that we should be critical of this proposal. It is practically a book-keeping entry, inasmuch as the Radio Broadcasting Commission and the Canadian National Railways are the offspring of Parliament and, so far as finances are concerned, are under the control of the Federal Government. I realize, of course, that our latest child, the Radio Commission, desires to keep down its capital expenditure and so make a better showing in the future; but whether the purchase price of these radio stations be \$50,000 or \$400,000, it will not affect the load carried by the federal treasury.

This venture may expand and eventually be operated at a profit; I do not know. I desire simply to give expression to a sentiment which I have just heard, that it is perhaps injudicious for this House to adopt a resolution on the day it is introduced; it might indicate undue haste; but if honourable members are satisfied that we have given sufficient attention to the subject-matter and approve of the resolution with our eyes open, I have no objection to our adopting it now.

Hon. J. STANFIELD: Honourable senators, the purpose of this resolution is recommended by the Radio Commission. I may point out that not a single member of that Commission is a man with business experience. True, one of the commissioners is reputed to be a radio expert. I would not utter a word in disparagement of his technical qualifications, but as to his business ability I have grave doubts. I trust that before any more radio stations are acquired or any further capital expenditures are incurred the proposed action of the Commission will be thoroughly looked into by competent authorities, men of proved business capacity.

As to the Halifax station, which is to be acquired, I know very little technically about it or its staff. For about half an hour on Sunday evenings it used to broadcast concerts given by the orchestra of the Nova Scotian Hotel. The Moncton station, which used to broadcast for an hour in the afternoon and an hour in the evening, had a staff of two or three operators and one engineer. Of course, I am not blaming the Radio Commission for the equipment and operation of the Canadian National Railways radio stations. As a matter of fact the operating deficits of the Canadian National Railways were substantially increased by the expenses of their radio stations and the installation of radio equipment on their principal trains.

Each train operator was paid a salary of \$90 a month, with expenses. This equipment has been withdrawn and the operators have been discharged. I do not know how many operators are in charge of the Ottawa radio station, but I must say I have always found them very courteous and helpful in giving any information that I have sought.

Some weeks ago I criticized the million-dollar vote to the Radio Commission. On that occasion I was told that the money did not come out of the federal treasury, but was derived from radio licence fees. In any event the money does come out of the pockets of the people ultimately, and I would remind honourable members that many of our citizens to-day can ill afford to pay two dollars for a radio licence. If we have so much money available for the Radio Commission, why not cut down the licence fee and make it less difficult for radio owners to secure a licence?

I am not opposing the motion.

Right Hon. GEO. P. GRAHAM: Honourable senators, originally I objected to the formation of the Radio Commission under present financial conditions. If the Commission is to establish a broadcasting chain, probably the purchase of these stations from the Canadian National Railways is the best bargain it could make; but I still maintain that we are merely on the verge of what this radio venture will cost the country, and certainly this is no time to spend the people's money on radio broadcasting or on any other experiments. That is the ground I take.

Some Hon. SENATORS: Hear, hear.

Right Hon. Mr. GRAHAM: I am not criticizing the personnel of the Radio Commission. Though the Canadian National Railways management may have made a mistake in establishing a radio system, it followed several precedents, and its example has been imitated by several other railway companies. To a railway, radio is a means of advertising, not of making money. The only way it can secure a profit on the operation of its radio stations is by broadcasting programmes for commercial and other corporations.

I desire to place myself on record as again objecting to this new venture on behalf of the Government into a business which this country can well do without at the present moment, when men and women and business concerns are mightily troubled in meeting the increasing burdens of taxation.

Some Hon. SENATORS: Hear, hear.

Hon. Sir ALLEN AYLESWORTH: Honourable senators, I have been wondering whether there is any significance in the way this resolution is worded, and should the right honourable gentleman leading the House (Right Hon. Mr. Meighen) think it worth noticing, I should be glad if he would explain it. The resolution asks this House to approve, not the sale of certain radio stations and equipment, but their purchase. Would it not have been more appropriate to word the resolution the other way about? The purchase would seem to be a very excellent bargain so far as the amount of the purchase money is concerned, and I should not have thought it would need any debate to obtain approval of it from the standpoint of the Radio Commission. This is a property for which one must suppose the Radio Commission has a use. Certainly the Commission is getting the property at a very low figure as compared with its original cost, or even its comparatively recent valuation. The property cost about \$130,000 a few years ago. It was valued, I think, not more than a year ago, at \$70,000 odd.

Right Hon. Mr. MEIGHEN: Two years ago.

Hon. Sir ALLEN AYLESWORTH: Now the Commission is getting the property at \$50,000. The purchase seems to be a very good one if the Commission has a use for the property.

But what about the sellers of the property? Do they not need any approval of a sale like this? Here is something for which they paid \$130,000 odd, and now they are parting with it for a comparatively small sum. I should think that we ought to be asked rather to approve the sale of the property by the Canadian National Railways.

Right Hon. Mr. MEIGHEN: Honourable senators, the comment of the honourable gentleman from Colchester (Hon. Mr. Stanfield) appertains not so much to the resolution as to the general policy. I cannot pretend to be specially equipped, if indeed I am ordinarily equipped, to discuss the general policy, not having been in public life at the time of its adoption; but as an observer from without—very far without—I did notice that it was favoured by all sections of the other House, and from this one might infer that it was approved by all substantial sections of public opinion, though it would be going too far to assume that all the people favoured it. Of course it might still be argued that while the policy might be regarded as sound, having

been recommended after a most exhaustive and painstaking inquiry by a committee of Parliament, as well as by a royal commission, yet this was not an opportune time to launch upon it. Upon this point I feel safe in going so far as to say that if the policy is to be pursued at all, the longer it is deferred the greater will be the cost; the farther the ramifications of private ownership extend, the greater becomes the difficulty of exercising the control and supervision which the policy contemplates.

Certainly it should be the policy of the Commission to move very warily, and at this time within a narrow financial compass. I have every reason to think it is doing so, and if I recall my reading exactly, its receipts are beyond its expenditures. I am the more confirmed in my view of the Commission's policy after the speech of the honourable gentleman from North York (Hon. Sir Allen Aylesworth), who feels there is no difficulty in recommending this transaction from the standpoint of the purchaser, but has grave doubts from the standpoint of the seller. The reflection is favourable to the Commission, and, I know, will be very acceptable to the honourable senator from Colchester.

As to the comment of the honourable senator from Colchester that there is no business man on the Commission, I would point out that there are business men and business men. The superman is entirely out of existence to-day, as the honourable senator knows. I should not regard the Chairman of the Commission as a man of no business experience. Certainly I should regard the gentleman selected from the Province of Quebec as a man possessed of business experience and business capacity of no mean order. I happen to have known him for many years, and I may say that if success in business is a criterion of capacity he is not to be despised, at all events by those of us who have not achieved an equal success. I do not include the honourable senator from Colchester.

It is true the price does seem low, but if in the estimation of the company there was a depreciation from \$132,000 to \$70,000 in the course of three, four or five short years, it is not unreasonable to think that in the course of two years more the value might be reduced to \$50,000. At all events, the difference between this price and the figure that would remain after the deduction of a reasonable amount for depreciation would be small indeed.

The reason the resolution is before us is that the Act provides that the purchase must be approved by Parliament. But there is no

Right Hon. Mr. MEIGHEN.

statute providing that Parliament must approve the sale by the Canadian National Railways. From the standpoint of the Canadian National the matter is entirely within the purview of the management of that system. Possibly I should add that the sale, inasmuch as it involves capital assets, probably requires the imprimatur of the Governor in Council even though it does not require any resolution of Parliament.

Hon. Mr. ROBINSON: By leave of the House, may I say that it would be of interest to know a little more of the figures the right honourable gentleman gave in referring to the reduction of loss in the management of this business from \$400,000 to \$80,000. Could the right honourable gentleman tell us how much of that loss was attributable to radio stations, and how much to the other part of the system, on the cars?

Right Hon. Mr. MEIGHEN: I do not think there could be any division, but the loss would include the loss on installation and operation on the cars. No doubt the latter ingredient would be by far the greater. It is all a loss in the enterprise. In this connection I may say that the Canadian Pacific Railway never launched upon such a policy. If it was an error, it is not one that Parliament has to apportion between the two companies, but belongs to only one of them.

Hon. Mr. LACASSE: With the leave of the House, I should like to ask the right honourable gentleman whether he has any idea of the approximate number of radio receiving sets in operation throughout Canada at present, according to the records of the department, and, secondly, the number of persons who have paid licence fees. I happen to come from a district where thousands of radio owners are deliberately refusing to pay their licence fees on the strength of a case which was taken to court, and in which the court's decision was in favour of the objector. I presume my right honourable friend is fully aware of that. I am referring to a case in the city of Windsor which was conducted by a lawyer named Gignac. On the authority of the judgment in that case hundreds of people in the district are deliberately challenging the rulings of the Department of Marine and of the Radio Commission, and are indefinitely postponing the payment of their licence fees.

Right Hon. Mr. MEIGHEN: I think the case to which the honourable gentleman refers must have been decided before the settlement of the main dispute, which went to the Privy Council, for that body held, without any reservation, that the control of radio was en-

tirely a matter of federal jurisdiction, and therefore it goes without saying that the licence system is legal. I cannot give the honourable gentleman information as to the number of licences that have been issued in Canada. I really have not taken a very great interest in the subject. The only thing I like about a radio is that you can turn it off.

Hon. Mr. DANDURAND: Hear, hear.

The resolution was agreed to.

Right Hon. Mr. MEIGHEN moved that a message be sent to the House of Commons to inform that House that the Senate had adopted the resolution.

The motion was agreed to.

PRIVATE BILL

FIRST READING

Bill 48, an Act to confirm an agreement between the Vancouver, Victoria and Eastern Railway and Navigation Company, and the Northern Pacific Company.—Right Hon. Mr. Graham.

PRINTING OF PARLIAMENT

REPORT OF COMMITTEE

Hon. SMEATON WHITE: Honourable senators, a long list of documents is included in our Minutes of Proceedings of yesterday. For the information of the House, as many of those documents are of considerable public interest, I should like to explain that the reason why the Joint Committee on Printing has not recommended them to be printed is that some of them have already appeared in print, and others will be published in annual reports.

Hon. Mr. MURDOCK: Honourable senators, I am very glad the honourable senator from Inkerman (Hon. Smeaton White) has raised this question, because I note that thirty-nine pages of our Minutes of Proceedings of yesterday consist of a report from a committee of Parliament which no one, except those on the committee, had an opportunity to look at before it was adopted by the House. I cannot imagine any one thing that would do more to convince the citizens of Canada that some of us here are nonentities and have nothing to do, than the haste shown yesterday in adopting that report. I have carefully looked over this long list of documents. Personally I think that in recommending that they be not printed the committee exercised good judgment, but that is not the point. We had a right to know what it was that the committee proposed should not be printed,

and I appeal to the right honourable leader of the House to see that in future no report of a committee is adopted in such unseemly and unnecessary haste.

Hon. Mr. PARENT: May I say that the Committee on Printing was to meet yesterday morning at 11 o'clock, but the Senate was not to meet till 3 o'clock in the afternoon; consequently many members were not present when the committee decided upon this question.

Right Hon. Mr. MEIGHEN: I think there is a considerable distribution of responsibility. If but a single senator had taken exception to what was done yesterday, not only would he have been listened to, but he would have been effective in preventing the adoption of the report.

Hon. Mr. PARENT: Senators could not object when they were not present.

Right Hon. Mr. MEIGHEN: Objection could have been raised in order to permit of an examination of the report. Not having had a very long experience here, I assumed the report was more or less formal—it was merely a question of what expense should be undertaken and what should not, and, as there was no objection to it, I permitted the resolution to pass. I do not altogether like to have honourable senators who were here, or should have been here, complaining afterwards about the action taken, because any one of them would have been just as effective as anyone else in blocking the adoption of the report.

Hon. Mr. MURDOCK: I thought of rising yesterday and asking that we be given an opportunity to analyse the report, but I assumed from what was said that it contained only two or three small items. I did not know that a thirty-nine-page list of documents was involved, and I did not want to be too technical in stopping the play. It seems to me that someone should have considered the rest of us sufficiently to allow us at least to read what was contained in the report before asking us to concur in it.

ADJOURNMENT—BUSINESS OF THE SENATE

Right Hon. Mr. MEIGHEN: As intimated in the House yesterday, and confirmed by the first action of the House to-day, the Shipping Bill is withdrawn for the present session. The further intimation was given yesterday that a new Bill, merely amending the present Canada Shipping Act, was under consideration, and that it was the intention, if this new measure could be put into proper form and approved

by the Administration in time, to have it introduced in this House. It will not be in a form to be introduced until early next week, for the reason that the fullest consideration cannot be given to it before then. This leaves us with but one Bill from the other House. The extraordinary delay occurring there makes progress in this House exceedingly difficult. Consequently I move that when the Senate adjourns to-day it stand adjourned until Tuesday next, May 2, at 3 o'clock.

Hon. Mr. DANDURAND: I understand that there will be a change in Ottawa time before next Tuesday, and I should like to know whether the intention is that we should meet at 3 o'clock daylight saving time or standard time.

Right Hon. Mr. MEIGHEN: It will be at 3 o'clock according to the time then in force in the city of Ottawa, which I understand will be daylight saving time.

Hon. Mr. PARENT: Is there any special reason why we should not meet at 8 o'clock rather than at 3?

Right Hon. Mr. MEIGHEN: The reason is that conceivably there may be legislation requiring assent on that day.

Hon. Mr. DANDURAND: I understand that some savings are being made by the railways through certain pooling arrangements affecting trains between Montreal and Toronto and between Montreal and Ottawa. A note has been handed to me which states that from Monday next the two trains now running from Ottawa to Montreal between 6 and 7 o'clock in the evening will be discontinued, but there will be two trains in the afternoon—one at 3.05 and the other at 4.10. I wonder why the two companies did not arrange to eliminate one of the trains leaving for Montreal in the afternoon and to continue one of the evening trains. Many people come up from Montreal by the noon train to transact business here. At present they are able to remain until 6 o'clock and then return home for the night, but under the new arrangement it will be impossible to leave here after 4.10.

If the change is being made with a view to improving earnings, I suggest that the companies might have considered the pooling of earnings from an afternoon and an evening train. In making these remarks I am not thinking particularly of any inconvenience that the change might cause to members of Parliament.

Right Hon. Mr. GRAHAM: There are no earnings from them.

Right Hon. Mr. MEIGHEN,

Hon. Mr. DANDURAND: For the sake of economy they will put up with any inconvenience; but it seems to me that the public will suffer. Why should there be two trains in the afternoon and none in the evening? I draw attention to this matter here because the Canadian National Railways are to a certain extent under the supervision and direction of the Minister of Railways.

Hon. Mr. ROBERTSON: What morning service will there be?

Hon. Mr. DANDURAND: I do not know that. The note that has been given me refers simply to the afternoon and evening service.

Hon. Mr. POPE: What changes will be made in the trains running to Ottawa?

Hon. Mr. DANDURAND: I cannot say.

Hon. Mr. POPE: The motion is that we adjourn until 3 o'clock Tuesday afternoon. How do we know that we shall be able to get here by that time?

Hon. Mr. DANDURAND: We shall have to find that out.

Right Hon. Mr. MEIGHEN: This is a matter for the railways, of course, for even in the case of the Canadian National the Minister is by no means in charge. I do not think it would be appropriate that we, who have been loudest in deprecating the dire results of political interference with the railways, should be the first to disturb the new Elysium to which all such matters have gone.

Right Hon. Mr. GRAHAM: It may be that some trains can be discontinued more easily than others, because of certain connections. Of course, we are all desirous of having economies effected, but we want the other fellow to be economical rather than ourselves, and we do not want to have our personal interests affected too seriously. The honourable leader on this side (Hon. Mr. Dandurand) seems to have made out a good case, but in dealing with trains there are so many ramifications and they are so far-reaching that it is difficult to form judgment upon a change in any one run unless it is known how certain connections would be affected.

The motion was agreed to.

The Senate adjourned until Tuesday, May 2, at 3 p.m.

THE SENATE

Tuesday, May 2, 1933.

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

Prayers and routine proceedings.

HUDSON BAY TERMINALS

NOTICE OF INQUIRY

On the notice of inquiry:

By Hon. Mr. Casgrain:

That he will inquire of the Government:

1. How much public money was spent during the year 1932 in connection with Port Churchill, the navigation of Hudson Bay and the straits—whatever purpose—altogether?
2. How much money was spent on the operation of that harbour?
3. How much money was spent for the maintenance and operation of the elevator at that port?
4. How much money was received for the storage of grain or other purposes in the elevator?
5. Did the Government pay for any insurance on the cargoes or the ships plying to or from Port Churchill? If so, what was the amount?
6. What is the total expenditure to date at Port Nelson, including that portion of the railway which was abandoned by the diversion to Port Churchill?
7. Was there any salvage from the iron bridge or other work erected at Port Nelson?
8. Is it the intention of the Government to continue to subsidize this route this year?
9. If so, to what approximate amount?

Right Hon. Mr. MEIGHEN: Honourable members, I have the answers to most of the questions, but perhaps the inquiry had better stand until to-morrow, when all the information will be available.

Hon. Mr. CASGRAIN: I move that the inquiry stand, because I intend to speak after I get the desired information. Of course, if the answers are satisfactory, there may be no occasion for me to discuss the subject-matter of the inquiry.

Right Hon. Mr. MEIGHEN: Had I been assured that the honourable senator (Hon. Mr. Casgrain) was going to speak, I should have tried to have all the information ready today. It will be completed to-morrow.

The inquiry stands.

CANADA GRAIN BILL

FIRST READING

A message was received from the House of Commons with Bill 79, an Act to amend the Canada Grain Act.

The Bill was read the first time.

Right Hon. Mr. MEIGHEN: Honourable senators, this Bill came to my hands only shortly before the opening of the House, and while I have had an opportunity of making some study of the measure and the explanatory notes, I do not feel that I can give such adequate reasons for the various clauses as I should like to be able to give. I suggest therefore that the second reading stand until to-morrow.

HAY AND STRAW INSPECTION BILL

FIRST READING

A message was received from the House of Commons with Bill 22, an Act respecting the Inspection and Grading of Hay and Straw.

The Bill was read the first time.

SECOND READING POSTPONED

Right Hon. Mr. MEIGHEN moved the second reading of the Bill.

He said: Honourable senators, this Bill has for its purpose the repeal of the law governing the grading of hay and straw, and the substitution thereof of a system of grading to be devised by the Department of Agriculture. The present law, enacted some twenty-five years ago, specifically defines the various grades. These grades differ in different sections of the Dominion, and were established to suit the requirements of the market of that time, when the principal demand for hay was for the feeding of horses in cities. Conditions have changed in the intervening years and to-day the main demand for our hay comes from the United States. It is sought to empower the Department of Agriculture to establish such regulations as will enable our hay producers from time to time to meet the exigencies of that market.

Hon. Mr. BLACK: Does this Bill change the old system of grading?

Right Hon. Mr. MEIGHEN: It repeals the specific grading provisions applicable to different parts of the country and places in the hands of the Minister of Agriculture full authority for the grading of hay and straw.

Hon. Mr. BLACK: I have not seen the Bill, and therefore cannot discuss it intelligently. I want simply to call attention to the fact that not more than five years ago—I think only three—our hay growers held conventions in different parts of the country and agreed on a system of grading for the various hay-producing localities. If the grading of hay were left entirely in the hands of the Department of Agriculture, it would be, I am sure, very unpopular among the large

producers of hay in the Maritime Provinces, who at the present time do not look to the American market for the sale of their hay.

Hon. Mr. CASGRAIN: I understand the Bill is not distributed.

Right Hon. Mr. MEIGHEN: It should be.

Hon. Mr. CASGRAIN: I have no objection to the Bill being proceeded with.

Right Hon. Mr. MEIGHEN: My information is that the alteration from the specific grades to the more elastic system of grading by the department has been asked for by the trade.

Hon. Mr. CALDER: By the sellers of hay?

Right Hon. Mr. MEIGHEN: Yes. But I think there should be opportunity for the honourable senator from Westmorland (Hon. Mr. Black) to study the Bill. Consequently, with the permission of the House, I suggest that the second reading stand until to-morrow.

Hon. Mr. McMEANS: May I ask the right honourable gentleman whether under the provisions of this Bill more inspectors are to be appointed?

Right Hon. Mr. MEIGHEN: I do not think so. There probably will be fewer, although the Bill provides for inspection. As honourable senators who are fortunate enough to have the Bill before them will see, the explanatory pages recite the sections of the Act to be repealed. These sections enumerate the various classes and grades of hay, and provide for classification accordingly. Section 156 contains a list of grades from a to m, inclusive; section 157, grades from a to c, and section 158, tame grasses, from a to j, inclusive. I quite admit the importance that may attach to the repeal of these sections, and if any honourable senators wish to make a special study of the Bill they should have ample opportunity to do so.

Hon. Mr. CALDER: It strikes me that the change is a very desirable one.

Hon. Mr. CASGRAIN: Has the honourable gentleman the Bill?

Hon. Mr. CALDER: No, but I have listened to the explanation.

Hon. Mr. McMEANS: Does the honourable senator grow any hay?

Hon. Mr. CALDER: Yes, I have grown hay. The honourable senator from Westmorland (Hon. Mr. Black) intimated that the growers in his locality fixed the grades of the hay.

Hon. Mr. BLACK: I did not say that. That is quite wrong.

Hon. Mr. BLACK.

Hon. Mr. CALDER: That is what I understood—that the growers of hay got together and decided what the grades should be. As I understand it, the grades now fixed by the law must be used when hay is sold. Let us take the case of grain, which, though not altogether analogous, is similar. The grades for grain are fixed, not for ten or fifteen years in advance, but from year to year. So far as hay is concerned, it is very desirable, I assume, that either the department or some board should grade the hay from year to year according to prevailing conditions. I am not a hay man in the sense that my honourable friend behind me (Hon. Mr. McMeans) has referred to—

Right Hon. Mr. MEIGHEN: Nor a straw man either.

Hon. Mr. CALDER: Nor a straw man either—but I can understand the desirability of having the department or some other body fix the grades every year, instead of having them fixed permanently by statute.

Hon. Mr. PARENT: Does the Bill provide for grading for export purposes only?

Right Hon. Mr. MEIGHEN: No. The Bill provides for the appointment of inspectors, and authorizes the Minister to establish regulations prescribing standards of class and quality. It also provides for inspection certificates, and prescribes the conditions under which the inspection shall take place, and the charges to be made therefor. In the Maritime Provinces, which, for the purposes of the old Act, are bracketed with Ontario and Quebec, there have been, as I intimated before, grades extending all the way from Prime Timothy, called a, to Shipping Grade, called m. In Quebec—why, I do not know—certain weights were provided. In Manitoba, British Columbia, Saskatchewan, Alberta and the Northwest Territories, another classification existed. Then there was the classification of wild grasses. The contention of the Minister is that all these grades were intended to meet the demands of the local markets in our cities, and do not meet the demand of the American market, which is now the market for our hay; consequently new classifications have to be established.

Hon. Mr. CASGRAIN: I think we might very well postpone this discussion until to-morrow, when we shall have the Bill before us. For many years I have kept horses and have bought hay. Frequently I have done the grading myself, and sometimes I have fixed the price according to my grading.

The motion for the second reading stands.

BANK BILL
FIRST READING

A message was received from the House of Commons with Bill 27, an Act to amend the Bank Act.

The Bill was read the first time.

SECOND READING POSTPONED

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

Right Hon. Mr. MEIGHEN: Now.

Hon. Mr. CASGRAIN: I am sorry, but this Bill has not been distributed, as far as I know. Would it be wise for us to proceed without having the Bill before us?

Right Hon. Mr. MEIGHEN: If any honourable gentleman objects, I certainly shall not ask for the second reading to-day. I suggested it simply because I was prepared to give the necessary explanation.

Section 1 of the Bill merely extends the provisions of the Bank Act, and the bank charters thereby created, to the 1st of July, 1934. Otherwise they would expire on the 1st of July of this year.

The second clause of the Bill states that the Act shall apply to certain banks mentioned in the schedule of chapter 9 of the Acts of 1913; but the second subsection of this clause provides:

The charters or Acts of incorporation of the said banks, and any Acts in amendment thereof, or any Acts in relation to the said banks now in force, shall respectively continue in force for the purpose of winding up, and for such purposes only.

That is the entire Bill. I may say that another Bill, of which we shall probably hear later to-day, contains corresponding provisions with relation to certain banks wholly in the Province of Quebec, called the Quebec savings banks.

Hon. Mr. CASGRAIN: I am sorry. I do not want to obstruct anything, but as the Bill has not been distributed, I think it would be better to put it over.

Right Hon. Mr. MEIGHEN: To-morrow.

The second reading was postponed until to-morrow.

QUEBEC SAVINGS BANKS BILL
FIRST READING

Bill 28, an Act to amend the Quebec Savings Banks Act.—Right Hon. Mr. Meighen.

PUBLIC BUILDINGS AND GROUNDS
INQUIRY

Hon. CAIRINE WILSON: Honourable gentlemen, I should like to ask whether the Government intends to take any action upon the report of the Standing Committee on

Public Buildings and Grounds, recommending a comprehensive plan for the further beautification of Parliament grounds.

Right Hon. Mr. MEIGHEN: My recollection of the motion which we passed is that the Federal District Commission was to be requested to prepare comprehensive plans for the improvement of the grounds. If I am not quite right in my recollection, I shall stand corrected later. The resolution was communicated to the Commission, and I have received from the Chairman, Mr. Matthews, a letter stating that the responsibility for the care of these grounds rests with the Department of Public Works, and that before the Commission would undertake the somewhat responsible and expensive task of preparing such plans it would require a request to this effect from the department, and the necessary expenses would have to be met by some body other than the Commission.

PRIVATE BILL
SECOND READING

On the Order:

Second Reading of Bill 48, an Act to confirm an agreement made between the Vancouver, Victoria and Eastern Railway and Navigation Company and the Northern Pacific Railway Company.—Right Hon. Mr. Graham.

Hon. Mr. CASGRAIN: Honourable senators, in the absence of the right honourable gentleman who sponsored this Bill, I move the second reading. The session is getting on, and perhaps it is well not to lose much time. I shall move that the measure be referred to the Standing Committee on Railways, Telegraphs and Harbours.

Right Hon. Mr. MEIGHEN: Honourable senators, the object of this Bill is merely to ratify an agreement between the two companies named, which agreement provides for the abandonment of a certain section of railway from Sumas, on the American boundary, to Colebrook, British Columbia, and for the division between the two roads of the savings resulting from the abandonment, and also for division of the interest upon the moneys secured for any portions of the right of way and movable property that are saleable. The Bill provides that the agreement shall not become effective until the abandonment is approved by the Board of Railway Commissioners, and it is specifically stated that in this matter the Board's powers shall not be impaired. The Board will be entirely free to refuse to give authority for the abandonment, if it so desires. Therefore I see no objection at all to the passage of the Bill.

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

DIVORCE BILLS

FIRST READINGS

Hon. Mr. McMEANS, Chairman of the Committee on Divorce, presented the following Bills, which were severally read the first time:

Bill T, an Act for the relief of Emily Florence Lawrence Knight.

Bill U, an Act for the relief of Marjorie Bertha Willcox.

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

THE SENATE

Wednesday, May 3, 1933.

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

Prayers and routine proceedings.

INTERNAL ECONOMY AND CONTINGENT ACCOUNTS

REPORT OF COMMITTEE

Hon. W. H. SHARPE presented the third report of the Committee on Internal Economy and Contingent Accounts, and moved concurrence therein.

Hon. Mr. CASGRAIN: There is an item of \$4,000 for the Beauharnois inquiry. Surely the inquiry must have cost much more. That is on account, I presume.

Hon. Mr. SHARPE: Our right honourable leader suggests that I paid the balance out of my own pocket.

Hon. Mr. CASGRAIN: This is a serious debate.

Hon. Mr. SHARPE: That is all we paid.

Hon. Mr. CASGRAIN: Who paid the other expenses?

Right Hon. Mr. MEIGHEN: I presume that what the honourable senator (Hon. Mr. Casgrain) has in mind is the legal expense. My impression is that part of the legal expense was paid out of Senate funds, though of this I am not quite sure. I know that a portion was paid by the Department of Justice.

The Hon. the SPEAKER: I think the explanation is that the statement is for the fiscal year ending March, 1932.

Right Hon. Mr. MEIGHEN: There was no Beauharnois inquiry the year before.

The motion was agreed to.

Right Hon. Mr. MEIGHEN.

PRIVATE BILL

THIRD READING

Bill 51, an Act to incorporate Devonshire Jockey Club.—Hon. Mr. Lacasse.

COMMITTEES OF THE SENATE

INQUIRY

Hon. LAWRENCE A. WILSON: Honourable members of the Senate, upon reference to our Minutes of Proceedings of October 12, I observe that this Chamber appointed a Committee of Selection to nominate senators to serve on the several standing committees. That committee made its report on October 20. I have received many inquiries as to the committees upon which I serve. I find that my name appears at the end of the list of senators on the standing committees, but I have searched in vain to find my name upon any one of the committees. As the right honourable leader of this Chamber was Chairman of the Committee of Selection, may I ask him whether I am a member of all the committees, and, like Homer's Atlas, uphold them all?

The right honourable leader of this Chamber, in a recent happy speech, said that he was never known to occupy any public office for any length of time. May I ask, therefore, that the right honourable gentleman will not unduly delay his reply?

Right Hon. Mr. MEIGHEN: I cannot more promptly meet the appeal of the honourable member than by replying at once. I recall being Chairman of the Committee of Selection, in accordance, I believe, with the custom of this body, but I must admit, with as much humility as I can summon for the purpose, that until this moment I was not aware the honourable senator was not upon any of the committees of the House.

I do not quite understand the purport of his statement that his name appears at the bottom of the list of members of the standing committees, but that he has searched in vain to find himself included in the membership of any committee. Possibly he has not expressed that as he intended.

All I need say is that there is certainly no thought on my part—and I do not intimate that there is any on the part of anyone else—of excluding the honourable senator from committees. That would be the last thing any of us would think of. The practice is, as honourable members know, that the selections for committee memberships are handed in by the leader or whip on each side of the House. I do not pretend to choose what honourable senators opposite shall sit

on any committee, but I can assure the honourable members over there that if they felt like entrusting me with the selection the first name I should choose for all committees would be that of the honourable senator from Rigaud (Hon. Mr. Wilson).

Hon. Mr. WILSON: I quite appreciate now the reason for my being left off.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. McMEANS, Chairman of the Committee on Divorce, presented the following Bills, which were severally read the first time:

Bill W, an Act for the relief of George Andrew Carruthers.

Bill X, an Act for the relief of Liliias Torrance Newton.

Bill Y, an Act for the relief of Hilda Mary Falkenberg Gilmour.

Bill Z, an Act for the relief of Eva Amy Falle Jordan.

Bill A1, an Act for the relief of Joseph Claremont Carroll.

Bill B1, an Act for the relief of Venita Angeline Scotten Kendall.

HUDSON BAY TERMINALS

INQUIRY

Hon. Mr. CASGRAIN inquired of the Government:

1. How much public money was spent during the year 1932 in connection with Port Churchill, the navigation of Hudson Bay and the straits—whatever purpose—altogether?

2. How much money was spent on the operation of that harbour?

3. How much money was spent for the maintenance and operation of the elevator at that port?

4. How much money was received for the storage of grain or other purposes in the elevator?

5. Did the Government pay for any insurance on the cargoes or the ships plying to or from Port Churchill? If so, what was the amount?

6. What is the total expenditure to date at Port Nelson, including that portion of the railway which was abandoned by the diversion to Port Churchill?

7. Was there any salvage from the iron bridge or other work erected at Port Nelson?

8. Is it the intention of the Government to continue to subsidize this route this year?

9. If so, to what approximate amount?

Right Hon. Mr. MEIGHEN: I am glad to have the answer to the honourable gentleman's inquiry to-day. It is as follows:

1. For fiscal year 1932-33:	
Railways and Canals Department	\$ 1,236,743 06
Marine Department	127,815 89
Total	\$ 1,364,558 95

- 2. Nil.
- 3. \$87,590.54.
- 4. Storage, nil; cleaning charges, \$11,239.85.
- 5. No.

6. Port Nelson, \$6,274,217.88. This sum does not include the cost of that portion of the railway grade which was abandoned in consequence of the diversion of the railway to Churchill. The amount paid the contractors for the grading works on that section, pro-rated to the mileage abandoned, would indicate an approximate cost of \$1,466,270 for the abandoned grade.

7. As to the bridge, no; as to the other materials transferred to Churchill, \$625,969.67.

8. Harbour tolls and dues comparable with other Canadian ports are being established at the port of Churchill this coming season, also a regular tariff of elevator charges.

9. Answered by No. 8.

INTERNAL ECONOMY AND CONTINGENT ACCOUNTS

REPORT OF COMMITTEE

Before the Orders of the day:

Right Hon. Mr. MEIGHEN: Honourable members, may I say I am now informed that the figure of \$4,395 mentioned in the report of the Committee on Internal Economy and Contingent Accounts as applicable to the Beauharnois inquiry does not refer to expenses paid in 1931. It represents part of the cost of the inquiry; but some of the cost of legal assistance was, I understand, paid by the Department of Justice.

THE CATTLE INDUSTRY

STATEMENT ON COMMITTEE'S INQUIRY

Before the Orders of the Day:

Hon. J. J. DONNELLY: Honourable senators, I desire to refer briefly to the progress made by the Standing Committee on Agriculture and Forestry pursuant to the authority given it by the Senate to inquire into the conditions of the export trade in cattle, and the cattle industry generally.

The Committee has had several meetings, and the following witnesses have been heard: Hon. Robert Weir, Minister of Agriculture; George B. Rothwell, Live Stock Commissioner, Department of Agriculture; P. E.

Light, in charge of Market Service Branch, Department of Agriculture; J. M. McCallum, in charge of Stock Yards Service Branch, Department of Agriculture; H. P. Kennedy, Toronto, President of Edmonton Stock Yards Limited, and A. W. Burrell, of Edmonton, Manager of Edmonton Stock Yards Limited.

The honourable Minister of Agriculture and the departmental officials whom I have named gave us very valuable information, which will be a foundation for our further inquiry. Mr. H. P. Kennedy has had forty years' experience in the live stock industry and has been a large exporter of cattle. His evidence, as well as that of Mr. Burrell, was very interesting. The Committee was particularly impressed with a suggestion made by Mr. Kennedy, and supported by Mr. Burrell, that the method of selling at our different stock yards might be changed to conform with the English system of selling by auction. The proposed change would necessitate the co-operation of all parties interested, and Mr. Kennedy said he would take up the matter with representatives of these parties and give us later the benefit of his investigations.

In order to consider properly the many phases of the subject of reference it will be necessary for the Committee to hear a number of other witnesses. Some of the honourable members of the Committee whose homes are in the West were desirous of having a few Western gentlemen appear to give evidence, but in view of the advanced stage of the session the Committee was of opinion that it would not be wise to proceed further with the investigation at present, since it was unlikely that there would be time to reach proper conclusions before prorogation. The Committee is strongly of the view that the inquiry should be renewed early next session, when the evidence that has been heard will still be pertinent and can be taken advantage of. The inquiry was virtually limited to the export trade in cattle, but the Committee desires that the scope of the investigation be broadened so as to take in live stock in general.

The Hon. the SPEAKER: Is this a report of the Committee?

Hon. Mr. DONNELLY: It is merely a statement, not a report.

PRIVATE BILLS

THIRD READINGS

Bill 42, an Act respecting the Algoma Central and Hudson Bay Railway Company.—Hon. Mr. Gordon.

Bill 56, an Act respecting the Nipissing Central Railway Company.—Hon. Mr. Gordon.

Hon. J. J. DONNELLY.

HAY AND STRAW INSPECTION BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 22, an Act respecting the Inspection and Grading of Hay and Straw.

He said: This is the Bill with respect to which at least an interrogation was put by the honourable senator from Westmorland (Hon. Mr. Black). The Bill has already been fully explained, and I suggest to the honourable member and any others who are questioning the merits of the Bill that it be given second reading on the understanding that it be referred to the Committee on Agriculture.

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

CANADA GRAIN BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 79, an Act to amend the Canada Grain Act.

Right Hon. Mr. GRAHAM: Explain.

Right Hon. Mr. MEIGHEN: Honourable senators, I think I can explain the Bill, but I am very certain I cannot explain the explanation which is on the adjoining page. To me it is utterly without meaning.

The purpose of the Bill is to improve the law regarding the documentation of grain shipped from the West and transferred into an Eastern elevator. The identity of the grain is lost, and questions as to title have arisen because of the transfer.

The Bill provides in sections 1, 3, 4, 5 and 6 for the issue of transfer receipts and Eastern warehouse receipts: the transfer receipts to apply where the grain is received into the elevator merely for transfer purposes; the Eastern warehouse receipts to apply when it is delivered to the elevator for storage. The transfer receipts are made non-negotiable; the Eastern warehouse receipts are made negotiable. There is also provision for the exchange of the transfer receipt for the Eastern warehouse receipt if it has subsequently been decided to leave the grain in storage. All this is under the supervision of the Grain Commissioners. The Bill extends their jurisdiction in this respect. The object is to secure greater certainty of the ownership of the grain and to prevent difficulties in establishing ownership due to loss of identity of the grain in these intermediary elevators.

Section 2, however, supplemented by section 7, is for a distinct purpose—to enable the owner of an elevator at a point of ocean shipment to loan grain to shippers, under such

conditions as will protect the public, thereby facilitating export at that point. It does not permit the owner of the elevator to ship someone else's grain, but rather it empowers the Board of Grain Commissioners to permit the loading of grain under their supervision, in order to meet the necessities of export shipment, especially at the port of Montreal.

Hon. Mr. CASGRAIN: The grain is not earmarked.

Right Hon. Mr. MEIGHEN: They can load grain of similar quality and amount. I do not like to reflect on explanations. Having sought to explain sections 2 and 7, I will now read the explanatory note on those sections, and honourable senators may take what meaning out of it they can:

It is desired to relieve the Montreal Harbour Commissioners in connection with the operation of their transfer elevator from the prohibition against discharging grain from an elevator except on delivery of a warehouse receipt.

That is all right.

It is desired to do this in order to enable a person who has grain on ship board in the harbour to "borrow" grain of like quality and quantity from the stock in the harbour elevator and ship the same when the best opportunity offers.

Why a man with his ship loaded would want to borrow more grain for the shipment I do not know.

Hon. Mr. CASGRAIN: To complete his load.

Right Hon. Mr. MEIGHEN: It says, "grain of like quality and quantity" with the grain he has on his ship. Why would he want the "like quantity" if he had two-thirds of his ship full? He would not want two-thirds more.

Hon. Mr. CASGRAIN: Of the same quality.

Right Hon. Mr. MEIGHEN: The explanatory note says, "of like quality and quantity." That makes the whole explanation meaningless. I am confident that the explanation I have given is right—and I hope it is clear. There are two objects to be served: first, to preserve more clearly the documentation of title now interfered with because of the storage shipment and the transfer shipment at these intermediary elevators, and to do so by means of the Eastern warehouse receipt and the transfer receipt respectively, with the significance which I attach to each; secondly, to permit the borrowing of grain at export points for the purpose of facilitating shipment.

Right Hon. Mr. GRAHAM: I could understand that if it were to complete the shipment.

Right Hon. Mr. MEIGHEN: So could I.

Hon. SMEATON WHITE: An ocean ship might be loading, and the shipper might not have sufficient grain in the elevator to complete his cargo; but he might have, either in a lake vessel in the harbour, or on the way to the elevator, enough grain of the same quality to replace the grain to be borrowed from the elevator.

Hon. Mr. CASGRAIN: We are fortunate in having in this House an ex-chairman of the Montreal Harbour Board. He could explain the matter fully.

Right Hon. Mr. MEIGHEN: Two ex-chairmen.

Hon. Mr. CASGRAIN: The other honourable gentleman was not chairman of the Harbour Board.

Hon. J. H. RAINVILLE: Honourable senators, in the port of Montreal it has been the practice for a good many years to loan grain. When the grain is stored in the elevators it loses its identity. Suppose a shipper has a boat load of grain coming through the Lachine canal, but not a sufficient quantity in storage at the port to complete an ocean shipment: he misses the chance of selling his grain. To overcome this difficulty we loan grain to the shipper on the assumption that it will be replaced by his grain of similar grade en route to Montreal. In order to guard ourselves against loss we require the shipper to insure his grain and so guarantee delivery to us of the same quantity and quality of grain as we have loaned to him. Furthermore, his bank becomes responsible to us for the value of the grain so loaned, though, as we have always been told, the banks have no right to do this.

There is no doubt that we are short of storage space in the port of Montreal. We have a storage capacity of 15,000,000 bushels; we should be able to take care of 30,000,000 bushels. Buffalo has a storage capacity of 45,000,000 bushels. This is why, for a good many years past, our grain has been diverted to the Buffalo-New York route. The American grain storage is centrally located. On the contrary, we have built our elevators at Owen Sound, Midland, Port McNicoll, Port Colborne, Goderich, Sarnia. Each of these elevators has a capacity of from 1,000,000 up to 12,000,000 bushels. If they were located in the port of Montreal we should not lose our grain to Buffalo. Our storage capacity is only suffi-

cient to take care of grain for immediate shipment. On two occasions our friends across the line tried to block our elevators with unsold grain, and at the time our good grain was being diverted to the Buffalo-New York route. I believe the Bill will serve a very useful purpose in facilitating the shipment of grain for export.

Hon. Mr. CASGRAIN: Is it not a fact that for weeks at a time shippers have not been able to unload their grain because there was no storage room in the elevators at Montreal?

Hon. Mr. RAINVILLE: Yes, many times.

Hon. Mr. McMEANS: Do they not send the grain on to Quebec?

Hon. Mr. RAINVILLE: In any event there would not be sufficient storage.

Right Hon. Mr. GRAHAM: I think the honourable senator from Inkerman (Hon. Mr. White) gave us the explanation: a ship is partially loaded, and the shipper, to save time, wants to borrow wheat from the elevator to take the place of wheat that he has on the way to the elevator, perhaps not very far from it.

Hon. Mr. RAINVILLE: Exactly.

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

CONSIDERED IN COMMITTEE

On motion of Right Hon. Mr. Meighen, the Senate went into Committee on the Bill.

Hon. Mr. Beaubien in the Chair.

Section 1 was agreed to.

On section 2—discharge of grain if not owner; seaport elevators may be excepted:

Right Hon. Mr. MEIGHEN: That is the borrowing power.

Section 2 was agreed to.

On section 3, new section 126—terminal and Eastern elevators; issue of elevator receipts; separate receipts:

Right Hon. Mr. MEIGHEN: These are the documents of title.

Section 3 was agreed to.

On section 4, new section 127—receipts issued to manager for grain owned by himself:

Right Hon. Mr. MEIGHEN: The only change in the section is the addition of the words "Eastern elevator."

Section 4 was agreed to.

Section 5 was agreed to.

Hon. J. H. RAINVILLE.

On section 6, new section 129—separate elevator receipts:

Right Hon. Mr. MEIGHEN: The words "Eastern elevator" are added again.

Section 6 was agreed to.

On section 7—delivery to vessel or car of identical grain:

Hon. Mr. McLENNAN: Is "identical grain" the correct expression? It is grain of the same grade, that grade being certified by the grain inspector, but the ten thousand bushels taken into the elevator are not the ten thousand bushels taken out.

Right Hon. Mr. MEIGHEN: Yes. This clause covers the provision respecting identical grain. It is the old clause 135, except that after the word "shall" in the sixth line an exception is made in these words:

except as in this Act otherwise provided.

In this Bill we have covered a case where the Act otherwise provides. With this exception, the identical grain is given when the performance is under section 135. The grain is not always in hotchpotch; there is provision for maintaining identity.

Section 7 was agreed to.

The preamble and the title were agreed to.

The Bill was reported.

BANK BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 27, an Act to amend the Bank Act.

He said: This Bill extends the provisions of the Bank Act, and the charters of the banks, for one year. The extension is made because of the disturbed monetary and financial conditions and the fact that an economic conference, at which Canada will be represented, will undoubtedly deal with this phase of the world's troubles. It is deemed wise not to essay at present the task of amending our Bank Act and extending bank charters for another ten years, but to defer that task until we have the benefit of the experience which will be gained at the conference. In the meantime a commission is to be appointed to study the problem from Canada's standpoint, so that we may be in a better position to perform our task at the expiration of the period of extension now proposed.

This Bill applies to all our chartered banks, ten in number, as recited in the schedule, and, for the purpose of winding up, to others named in the Bank Act.

Right Hon. Mr. GRAHAM: Will the Government follow the advice of the commission?

Right Hon. Mr. MEIGHEN: Probably we shall do very much as we did in the case of the Railway Act, following the advice of the commission as far as Parliament will permit.

Hon. Mr. CASGRAIN: Why extend the time for only a year? We have an excellent system of banking, owing very largely, I think, to the fact that all our banking legislation has been most carefully considered by the Senate Committee on Banking and Commerce, many of the members of which have been bankers. I remember very well that when Sir George Drummond, president of the Bank of Montreal for many years, was chairman of the Banking and Commerce Committee of the Senate, he retained at his own expense a legal officer to look carefully into all applications for bank charters. Only recently applications for bank charters have been refused by the Senate, and very properly so, I think, because they were not made by people who were regarded as sufficiently reliable to receive them. In one instance the majority of the directors did not even live at the place where the head office of the bank was to be.

I think the Senate may flatter itself that banking legislation is admittedly left to its Committee on Banking and Commerce. We know the result of this practice. We have seen what happened to the banks elsewhere on this continent, and we know that not a single casualty occurred among the banks in Canada. Our banks have all managed to pull through the terrible crisis that has confronted the world. They have served the people well. I should like to suggest that, if it is at all possible, an extension of more than one year should now be granted to our banks in order to give them greater stability. Neither the banks nor the business people of the country want any change. I am quite aware that the Bank Act is supposed to be revised every ten years, but I say, why not let well enough alone? Why hurry to appoint a commission before we know what is going to take place at the conference to be opened on the 12th of June in the great city of London?

Another matter that is worrying me is that the meeting is to take place in London. Why, in 1919 we created a body that was expected to deal with these very questions.

Right Hon. Mr. MEIGHEN: What body?

Hon. Mr. CASGRAIN: The League of Nations. It has not closed its doors. The

League of Nations has cost this country, I suppose, much more than \$2,000,000. It has a staff of experts and has had the benefit of twelve years' experience. Why not take advantage of such an organization? Furthermore, will the League of Nations take any part in the coming conference? The subject-matter of the conference is of world-wide importance; this is the very sort of thing for which the League of Nations was created. It would be a great slight on the League to neglect it at this time, particularly as it is officered with innumerable experts, both male and female. As we have spent a great deal of money on it, I really cannot understand why we should fail to make use of it. The newspapers tell us that sixty nations will be represented in London. That is even more than the League of Nations claims as its membership.

Hon. Mr. STANFIELD: What has that to do with the Bill?

Hon. Mr. CASGRAIN: If it were possible to make this extension a little longer than is proposed, it would be, I think, a matter of satisfaction to the business people, the commercial community, and the banks of Canada.

Hon. Mr. MACDONELL: Why does not the League of Nations stop the war between Japan and China?

Hon. Mr. CASGRAIN: I regret that my leader is not here. If he were here he would tell the honourable gentleman why. Perhaps the honourable senator from Montarville (Hon. Mr. Beaubien) will tell us.

Hon. Mr. MACDONELL: I do not think even your leader could tell us that.

Right Hon. Mr. MEIGHEN: The usual extension, as provided by the Bank Act, is ten years, but there have been cases, notably in 1911 and 1912, where the ten-year extension was deferred and a one-year extension made.

No doubt there are many who feel that basically, at least, our banking law is right and our currency system as sound as that of the better countries of the world; but we have reason to suspect that there are some, occupying places of importance in this country, who feel that very great changes ought to be made, and who are very impatient about delay. Consequently we are not asking Parliament for an extension beyond one year.

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

QUEBEC SAVINGS BANKS BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 28, an Act to amend the Quebec Savings Banks Act.

He said: Honourable senators, as I explained yesterday, this Bill refers to only two banks, both chartered by this Parliament—the Montreal City and District Savings Bank and La Caisse d'Economie de Notre-Dame de Québec. The charters of these banks expire on the 1st of July next, and require extension. This is provided for. It is also provided that the extension shall not be construed as having the effect of preventing a forfeiture of charter because of non-performance of the conditions.

Hon. Mr. CASGRAIN: The presidents of these banks are both members of this House. Is it really right to pass the Bill in their absence?

Right Hon. Mr. MEIGHEN: I should be a special authority on that subject, but I will refrain from expressing an opinion just now.

Right Hon. Mr. GRAHAM: They could not properly vote anyway.

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

PRIVATE BILL

FIRST READING

Bill 41, an Act to incorporate the Sarnia-Port Huron Vehicular Tunnel Company.—Hon. Mr. Little.

CANADA SHIPPING BILL

On the motion to adjourn:

Right Hon. Mr. GRAHAM: May I ask the right honourable gentleman when we may expect the amendment to the Canada Shipping Act?

Right Hon. Mr. MEIGHEN: I hope to introduce to-morrow a Bill amending the Canada Shipping Act.

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

THE SENATE

Thursday, May 4, 1933.

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

Prayers and routine proceedings.

Right Hon. Mr. MEIGHEN.

DIVORCE STATISTICS, 1932-33

Before the Orders of the Day:

Hon. L. McMEANS: Honourable senators, it has been the practice each session, after the Divorce Committee has finished its work, to make a report on the Committee's activities. I beg to present now the report for this session.

For the present session 31 notices of intention to apply to Parliament for Bills of Divorce were given in The Canada Gazette. Of the foregoing 29 petitions were actually presented in the Senate and dealt with by the Committee on Divorce, as follows:—

Unopposed cases heard and recommended.	23
Opposed case heard and recommended.	1
Opposed case heard and rejected.	1
Applications not dealt with owing to delays not having expired, etc.	4
	<hr/>
	29

Of the petitions recommended 9 were by husbands and 15 by wives.

All the applications recommended were from residents of the Province of Quebec. An analysis of the occupations followed by the applicants is as follows: automobile mechanic, butcher, clerk, contractor, hairdresser, machinist, manager, manufacturer, married women, merchant, prospector.

In 6 cases the Committee on Divorce recommended that part of the parliamentary fees be remitted.

Assuming that all the Bills of Divorce recommended by the Committee and now in various stages before Parliament receive the Royal Assent, the comparison of the number of divorcees and annulments of marriage granted by the Parliament of Canada since the passing of the Ontario Divorce Act, is as follows:

1931.	39
1932.	27
1932-33.	24

Respectfully submitted.

PRIVATE BILL

THIRD READING

Bill 48, an Act to confirm an agreement made between the Vancouver, Victoria and Eastern Railway and Navigation Company and the Northern Pacific Railway Company.—Right Hon. Mr. Graham.

CANADA SHIPPING BILL

FIRST READING

Right Hon. Mr. MEIGHEN introduced Bill C1, an Act to amend the Canada Shipping Act.

He said: Honourable senators, this is the Bill that was forecast at the time of the withdrawal of the more extensive measure with which the Committee on Banking and Commerce dealt for some considerable period. The object of the present Bill is merely the

making of certain amendments, one of which is quite important, to the Canada Shipping Act.

While on my feet I may say that I had a conference with the Chairman of the Committee on Banking and Commerce (Hon. Mr. Black) and he decided to ask the committee to meet this afternoon at 5 o'clock. Power to call the committee together was reposed in him at the last meeting. The Committee on Agriculture and Forestry meets immediately after the House rises, and it was thought that the Banking Committee might at least assemble this afternoon for the purpose of marking out a programme with respect to Bill C1 and making arrangements that might be deemed advisable for the hearing of any persons who desire to come before the committee.

The Bill was read the first time.

SECOND READING

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

Right Hon. Mr. MEIGHEN: I move that, with the leave of the House, the Bill be read the second time now.

Right Hon. Mr. GRAHAM: Honourable members, in the circumstances, as we are nearing the end of the session, and as we spent some weeks in committee on the larger Shipping Bill, which has been withdrawn, I see no objection whatever to our waiving the rules and giving second reading now, so that the measure may be promptly referred to the Committee on Banking and Commerce.

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

HUDSON BAY TERMINALS

INQUIRY AND DISCUSSION

Hon. J. P. B. CASGRAIN rose in accordance with the following notice:

That he will call the attention of the Senate to the cost of development work and other germane expenditure at Fort Churchill and Port Nelson, and inquire what economies the Government proposes to make in connection with those ports.

He said: Honourable members, the House heard yesterday the answers to my inquiry concerning expenditures in connection with the Hudson Bay route. The first question I asked was:

How much public money was spent during the year 1932 in connection with Port Churchill, the navigation of Hudson Bay and straits—whatever purpose—altogether?

The answer was that the Department of Railways and Canals spent \$1,236,743.06. That

is a goodly amount, considering the rather limited quantity of grain that was shipped by that route. I was unable to learn the actual number of bushels that were shipped, but I understand that three vessels left the port and one was wrecked. The answer also stated that the Marine Department spent \$127,815.89. Well, I take it that would be for the light-houses up there and on keeping a ship in the straits all the time.

As I have said, one of the ships that left the port was wrecked. It was an unfortunate incident, and it seemed to me that it was absurd to hint, as was done in another place, that the wreck occurred purposely.

Hon. Mr. McMEANS: It is not so absurd.

Hon. Mr. CASGRAIN: No man on a ship would try to wreck it, especially when there was no means in sight of saving his life. Of course, the ship that was wrecked carried wireless equipment and there happened to be in the vicinity a Government vessel, which arrived before the sinking occurred, and just in time to prevent the loss of life. The loss of the ship was discouraging, but I do not believe that any person would risk his life for the sake of discouraging shipments by any particular route.

To the second question, "How much money was spent on the operation of that harbour?" the answer is, "Nil."

Next I asked: "How much money was spent for the maintenance and operation of the elevator at that port?" The answer is, "\$87,590.54."

I should like to be corrected if I am mistaken, but I doubt very much whether more than 1,000,000 bushels of grain went through the elevator. Supposing this quantity was handled, the expenditure for maintenance and operation represents 8.7 cents a bushel, which is a very high cost. I know transportation companies that would be very glad to transport 1,000,000 bushels of grain from Fort William to Montreal at eight cents a bushel; but honourable senators will notice that that expenditure was only for the maintenance and operation of the elevator.

I come to my fourth question: "How much money was received for the storage of grain or other purposes in the elevator?" The answer is: "Storage, nil; cleaning charges, \$11,239.85." The Latin word nil is used; not a cent was received for storage. As will be seen, there were cleaning charges of \$11,239.85. I do not know whether this is revenue, but I suppose it is. I understand that wheat is cleaned in elevators. Apparently the shippers of the grain paid those cleaning charges. How-

ever, honourable senators will have to guess for themselves; I cannot explain the answer.

In the sixth question I ask, in part, "What is the total expenditure to date at Port Nelson?" The answer is, "\$6,274,217.88." If that is the total expenditure on Port Nelson during the past twenty years, it is the most economical work that I have ever heard of. I should think three or four times six million dollars has been spent there during that period. I do not know whether the expenditure of six million dollars odd includes the cost of dredging. In the answer to this question we are informed:

This sum does not include the cost of that portion of the railway grade which was abandoned in consequence of the diversion of the railway to Churchill. The amount paid the contractors for the grading works on that section, pro rated to the mileage abandoned, would indicate an approximate cost of \$1,466,270 for the abandoned grade.

Well, this expenditure is not excessive in that God-forsaken country, where the cost of supplies and provisions is very high.

Hon. Mr. GILLIS: Why is it a God-forsaken country?

Hon. Mr. CASGRAIN: Because it is. Nothing will grow there. The country has never thawed out since the Creator made it. If that is the honourable senator's idea of an El Dorado, I would advise him not to end his days there. We should prefer to have him remain with us in this Chamber.

Hon. Mr. GILLIS: That does not explain the honourable gentleman's phrase, "God-forsaken."

Hon. Mr. CASGRAIN: This is my seventh question: "Was there any salvage from the iron bridge or other work erected at Port Nelson?" The wide stretch of shallow water between the main channel and the low-lying shore increased the expense of providing wharfage. The engineers made an artificial island and built a bridge to connect it with the mainland. The answer indicates there was no salvage from the bridge.

Then I asked: "Is it the intention of the Government to continue to subsidize this route this year?" The answer leaves room for speculation. We are told that harbour tolls and dues comparable with those of other Canadian ports are being established at the port of Churchill this coming season, also a regular tariff of elevator charges. How much revenue will be collected is in the lap of the gods. For my part, I do not think very much revenue will result from tolls and dues.

Hon. Mr. CASGRAIN:

Hon. Mr. McMEANS: It will mean so much less for Montreal.

Hon. Mr. CASGRAIN: During the past quarter of a century the Senate has debated the practicability of the Hudson Bay route, and in the debates on this question I have to the best of my ability tried to convince our people that we should never have undertaken the construction of the Hudson Bay Railway. Only the other day I was told, "Never try to convince anybody unless you are paid to do so." Well, in good years I am paid \$4,000 a session, and I take it that I should earn my indemnity by trying to convince the country of the folly of spending money on unprofitable public works. I may not have convinced them, but at least I have done my duty. If since 1908 successive Governments had studied Hansard of the Senate, a considerable portion of the expenditure on the Hudson Bay route would probably never have been incurred.

It is to be hoped that in future the Government of the day will take more notice of the debates in this Chamber. We are in a peculiarly favourable position to discuss public question on their merits. We are not accountable to clamorous constituents, and we are absolutely independent. If periodically we had to seek election to this House, human nature being what it is, our judgment might be swayed by self-interest. Our tenure of office encourages independence of thought and action. A second Chamber that is not permanent is not worth having. I am very glad to be able to say that since the right honourable gentleman (Right Hon. Mr. Meighen) has done us the honour of leading the House, he has increased its prestige very much, and to-day the press gives some space to our debates. For years we have had to engage a newspaper reporter to give publicity to our proceedings, because apparently the newspapers did not think it worth while to send their correspondents here. I do not wish to be a lauder of the time gone by—laudator temporis acti—but it seems to me that thirty years ago, when I had the honour to become a member, there were many prominent men in the Senate and the debates were on a high plane. Of course, we are all prominent men to-day, but at that time we had some very able leaders, and always two ministers with portfolio sat in the Senate. I think we have perhaps larger powers than the Senate of the United States, for its members have not the permanency of office that we enjoy. If honourable senators read the American newspapers they will see that the House of

Representatives does not get nearly the amount of space that is devoted to the proceedings of the Senate. We have wide powers, and I believe that if we would exercise those powers, especially at this time of crisis, the country might be governed much better than it ever has been governed in the past.

Coming back to Port Nelson, I may say there is no harbour there at all; there never has been, and never can be. The distinction between a harbour and a port is this: a harbour is made by Nature, a port by the hand of man. The authorities tried to make a port at this point, but anybody who cares to look at the map will see how impossible that is, for to the north there is an uninterrupted sweep of a thousand miles, with not even an island intervening. Consequently a north wind or an east wind causes a rise of water at Port Nelson which, though not as great as in the Bay of Fundy, is nevertheless very considerable. To illustrate this, I may say that a confrere of mine who was sent by the Government of Ontario to lay out a townsite on the east side of Hudson Bay found upon his arrival that the locality of the proposed townsite was many feet under water. He camped and waited for the water to recede, but it did not recede, and he had to come back and report what he had found.

The great trouble with governments is that they insist upon consulting engineers about harbours and navigation. When it comes to building wharves, superintending dredging, or something of that sort, engineers are very useful; but when we want to know about the navigability of waters adjacent to a certain port we ought to consult sea captains and sailormen, who know something about navigation. I was very close to one Government which was in power for about fifteen years, but I could never make it understand this principle. It would always reply that the engineers had said this or that. If it had consulted any schooner captain it would have been told very quickly that a port could never be made at Nelson.

Sixteen miles out from the shore at that point the water is only seventeen feet deep; so, in a storm, with the thousand-mile sweep of which I have spoken, even if a ship drew only ten or twelve feet, she would strike the bottom every time she went down in the trough of the waves. Furthermore, the silt from the river forbids any idea of dredging outside this port. But we could not find that out for ourselves; we had to get a gentleman by the name of Palmer—and I do not know how much we paid him—to tell us that Churchill was a harbour and Nelson was not.

After a railroad had been built it was discovered that the shore was too low for the construction of wharves in accordance with the design of the then Chief Engineer of the Department of Railways and Canals, Mr. Bowden; so it became necessary to place in the middle of the stream a sort of artificial island on which to erect elevators. A crib-work sixty feet high—as high as this room, or perhaps higher—and having a circumference of a mile, was constructed and filled in. As that island was some 1,800 feet from the mainland, a twelve-span bridge had to be built. The piers were put in and, I understand, the spans were erected. That is why I asked whether there was any salvage from the bridge. Apparently it is to remain there as a monument to the lack of understanding on the part of governments for the past thirty years.

When Lord Grey went to Port Nelson he travelled down the Nelson river by canoe. This mode of travel was easy. But when the time came for his departure it was discovered that the ship which was to carry him could not come within sight of land, and day rockets had to be sent up from the ship to indicate her position, in order that he might be taken out to it by rowboat. The ship must have been twenty or twenty-five miles from land; she was below the horizon. Yet some people want to make a port at Nelson. The engineers of the Department of Railways and Canals tried it for years, but at last Mr. McLachlan had to come back and admit that they had given it up. Dredging was useless, because of the silt from the river. You might as well try to make a hole in a barrel of peas as attempt to make a channel at the mouth of Nelson river.

While I am talking about dredging I will tell you about the dredges. I happen to know something about one of them that cost \$400,000, because an insurance agent in Montreal asked me if I could not help him to secure the insurance on it. I said I would try, and I came to the Government and asked if it would insure the dredge. The premium was \$25,000, and the Government said it would not entertain the idea at all. Well, when that dredge was off the coast of Labrador, about half-way between the Strait of Belle Isle and Cape Chidley, a storm arose and the dredge foundered. The tug which had the dredge in tow very nearly went down also, but just in the nick of time, as the dredge was going down, the men on the tug managed to cut the cable and in that way saved their lives. I do not know whether that \$400,000 is included in the figure which has been given.

Another dredge, similar to the first one, was built, and I suppose it cost the same amount

of money. This time Captain Max, who for sixteen years had been in charge of navigation for the Hudson's Bay Company, was put in command. I may as well tell the House at once that I knew Captain Max very well, because it so happened that for ten years he was one of my tenants in Montreal. Every time he left for Hudson Bay I would see him off, and when he would come back he would show me a lot of photographs. The Hudson's Bay Company never allows its employees to give out any information about anything, but as Captain Max is no longer connected with that company, there is no harm in telling you that on my recommendation Hon. C. A. Dunning engaged Captain Max, at a good salary, to take the second dredge to Port Nelson. He did this without misadventure. During his sixteen years with the Hudson's Bay Company he never had an accident.

In reference to navigation I may say that icebergs come down into the Hudson Strait from Fox Channel. This ice is generally two years old, and ice of that age is as hard as a rock. These growlers, as they are called, are very formidable, because only one-eleventh of them is visible. For every foot you see of an iceberg there is ten feet you do not see, and sometimes they draw as much as four or five hundred feet of water. The pressure of the water at five hundred feet is about two hundred pounds to the square inch. These growlers are carried along by the undertow—the current below the surface. When the tide comes in the water at the top moves first; so the surface ice may not be moving in the same direction as the growlers; and if the wind is favourable you can hear for miles the noise they make in crashing through the surface ice. When a ship is caught in the floating ice she tries to get into what is called soft ice and to keep out of the way of icebergs. Of course, in ice a ship's rudder is useless; the ship will not steer. The current at certain times runs as fast as nine miles an hour, and it changes four times a day—two ebbs and two flows. Even the largest warship would be insignificant in comparison with the huge mass of some of these icebergs; so if a ship is unfortunate enough to get caught in the ice in the path of one of them she is doomed.

To give you an instance of what may happen, I will refer to Commander Wakeham. I knew him very well. He was sent into the bay and strait by the Government. He had a good ship. He was caught in the ice, and the ship's rudder, which was twelve inches thick, was snapped off like the stem of an ordinary clay pipe. The ice crowded around his ship, but fortunately she was built saucer-

shaped, and she was pushed up high and dry on the ice, where she lay with her stays hanging from the masts like ribbons from a May-pole. Captain Wakeham had all the boats lowered and loaded with provisions, but gradually the ice gave way, and when the ship settled into the water again it was discovered that she had not even sprung leak.

The first ship to go into the waters of Hudson Bay for the Government was the Neptune, under Commander Low, of the Geological Branch. To show you the type of ship required for navigation in the Hudson Bay and Strait, I will give you a description of the Neptune. She was sheathed with four-inch British oak, then four inches of greenheart, and the space between the outside planking and the lining was solidly filled with rock-salt. In this way the ship was made perfectly safe against any shock from the exterior. Such ships are made saucer-shaped, so that when the ice presses against them they are lifted bodily out of the water. The bow of the Neptune was of solid timber, eight feet thick and sheathed with one inch of iron. The timbers inside were all laid crosswise, and there was so much bracing that little space was left for cargo. All who have seen the sealing ships leaving Newfoundland know how they are constructed. I do not see how anyone could think of using such ships commercially.

I have spoken of Captain Max, who commanded the Nascopie for sixteen years. The sides of that ship, instead of being three-eighths of an inch thick, like those of the big ocean liners, were an inch and a quarter thick; she was braced inside, and built saucer-shaped like the Neptune, so that if she should be caught in the ice the pressure would lift her instead of crushing her. Captain Max always carried along three propellers. If he broke a propeller blade in the ice he would spy out a soft, low place on the shore, where there were no rocks nor boulders, and carefully observe the land marks, and while the tide was high he would back up his ship and make fast. Then, when the tide receded, the men, who were all ready, would go to work like soldiers at drill and take off the old propeller and put on a new one; and when the tide came in again they would sail off and leave the old propeller where they dropped it. Very often Captain Max used three propellers in a summer. Can any honourable gentleman fancy an ocean liner being backed up on the beach in order to change propellers? Such an idea is absurd. The Nascopie was not a very large ship. One can imagine how unwieldy a big ship would be.

Hon. Mr. CASGRAIN.

If any honourable gentleman wants to confirm what I say about conditions in Hudson Bay and Strait, he can go to the Department of Public Works, as I did, and read the log of a ship in those waters. On the 5th of August there were ice and fog in the strait, and one blade of the propeller was broken; the next day more blades were broken; and it was not until the 19th of August that the ship reached Port Nelson with only half of one propeller blade left. One must be extremely optimistic to think that such a route as that is a commercial possibility.

I do not know whether it is common knowledge that during the Great War the Hudson's Bay Company was in charge of freight for England. That is how it happened that Captain Max had to go to Archangel with the ice breaker which was sent there, and which released many British ships that had been caught in the ice. Another trip he made was to Bergen, which is the most northerly port of importance in Norway. Of course, there are other ports on the north coast open all the year round, because of the influence of the Gulf Stream. The Russian Prime Minister, Kokovtsoff, was conspiring at that time with Rasputin against the Allies, and when I asked Captain Max, "What do you think of the Russian?" he said, "Well, you know, I don't like the cut of his jib."

If it is thought desirable to keep the Hudson Bay route open, very well; but I do not think any additional expenditures should be made upon it. As a matter of fact, I remember that when a certain witness before the Banking and Commerce Committee was asked why more shipments had not been made by the Hudson Bay route, he did not show any great enthusiasm about it, and did not rise to the occasion.

Now just one word under the heading of economy. The Welland Canal cost \$125,000,000 to build, and the interest during construction was \$50,000,000. Well, \$175,000,000 at 4 per cent is exactly \$7,000,000 a year, and the maintenance and operation charges are \$622,000, making the annual cost nearly \$8,000,000. Just the other day I heard the Minister of Finance say that the sugar tax would bring in about \$8,000,000. So approximately all the money that will be collected from the sugar tax will be required to pay these charges on the Welland Canal. That canal is built and we cannot get the money back now, but I am bringing up the matter because it contains a lesson for us. If that canal cost so much money, how much would a canal from Niagara to Montreal cost? I would ask the Government to listen to the Senate and to stop—I want to emphasize that

word—stop making expenditures that are not absolutely necessary.

Hon. Mr. RAINVILLE: Honourable senators, I should like to say a few words on this subject that has been referred to by my honourable friend from De Lanaudière (Hon. Mr. Casgrain). The development of the Port Churchill route was brought about for two reasons: the West needed a cheap outlet for its produce, and the East failed to interest itself in Western trade to the extent of providing such an outlet, although we had one of the largest natural transportation routes in the world, namely the St. Lawrence. So I have no grudge against the West because of the construction of the Hudson Bay route, and anything I may say here will not be said with a view to diverting more business to Montreal. We often hear it stated in this part of the country, and we see the statement made in some newspapers, that the East paid for the construction of railroads and virtually built up the West. But this is a narrow argument. If \$54,000,000 has been spent on the Hudson Bay route and terminal, and if the cost of maintenance of that terminal strikes some people as being extravagant, the East must share the responsibility for what has happened because of its failure to develop the wonderful route provided by Nature between the West and the East. We see that there is the less excuse for this failure when we remember that the development of transportation facilities across our country was one of the features upon which much stress was laid at the time of Confederation. Most of the important speeches made then contained advice to the growing generation to make adequate provision for carrying the produce of the West to the East, and for routing all our export shipments through our own ports.

We have an enormous country, approximately four thousand miles wide from ocean to ocean. Unfortunately it is divided into two sections, not only by the Great Lakes, but also by a rocky territory extending about one thousand miles, which contains no agricultural nor mineral lands. Half of our country is served by rail transportation alone, and the other half by rail and water. Transportation by rail is fast and expensive; by water it is slow and cheap. There is great need, in the West and the East alike, for the further development of our natural water route. And the West should be compensated in some way for the long rail haul required by its grain. Saskatoon, I think, might be called a division point, all the grain produced west of there going via the Vancouver route, and all pro-

duced east of there being shipped to the head of the Lakes: In other words, wheat grown in the West is carried an average distance of 900 miles from the farm to the lake boat.

Hon. Mr. GILLIS: I think the honourable gentleman is not quite correct. A comparatively small portion of the grain grown in the western part of Saskatchewan goes to the Pacific coast, but all the rest of the grain grown in that province and to the east goes to Eastern ports.

Hon. Mr. CALDER: The honourable gentleman's dividing line is about one hundred miles out.

Hon. Mr. RAINVILLE: I am glad of the correction. But for the sake of argument let us say that the length of the average haul by rail is about 900 miles. The maximum cost of carrying grain that distance to a lake port is 18 cents per bushel.

Hon. G. V. WHITE: Does any part of that grain go by Hudson Bay?

Hon. Mr. RAINVILLE: I am not criticizing the Hudson Bay route. I hold the view that that route was made necessary because the East failed to develop the natural water route which would have given the West cheap transportation. The people of the West would not have insisted upon the opening of a port in Hudson Bay if they had been able to ship their grain by a cheap water route direct to Montreal or Quebec.

Hon. Mr. McMEANS: If the honourable gentleman does not intend to criticize the Hudson Bay route, he is not speaking to the motion.

Hon. Mr. RAINVILLE: I am speaking to the motion, for I am giving the reason why the Hudson Bay route was built. As I have said, the length of the average haul of grain from the West to a port on the lakes is about 900 miles, and the cost of that long haul results in a very heavy burden on the West. Our Western farmers need some kind of compensation to enable them to compete with grain producers in other countries. In the Argentine, for example, the length of the average haul of grain by rail is only 210 miles; in Australia 215 miles; in Russia 350 miles, and in India 550 miles.

The cost of bringing wheat from Fort William to either Montreal or New York during the past ten years has been about 8½ or 9 cents a bushel. I am not, of course, referring to the special rates that have been in effect for the last two years. So it will be seen that the rail and water rates total 26 cents a bushel. Now, I wonder how I should feel if

Hon. Mr. RAINVILLE.

I were a Western farmer and had to pay 26 cents a bushel to send my wheat to the seaboard, when the sale price was 48 cents.

Hon. Mr. McMEANS: It was 48 cents at Fort William.

Hon. Mr. RAINVILLE: The charge from the farm to Fort William is on the farmer.

Hon. Mr. GILLIS: Will the honourable gentleman permit me to interrupt him? The rate of 18 cents is per hundredweight, not per bushel.

Hon. Mr. CASGRAIN: It makes a big difference whether it is per 60 pounds or 100 pounds.

Hon. Mr. RAINVILLE: Without the waterway that we have to-day, not a single bushel of grain would come east for export.

Hon. Mr. McMEANS: The Transcontinental was built to carry wheat from Armstrong to Quebec at 6½ cents a bushel.

Hon. Mr. RAINVILLE: Yes, but it was unprofitable business for the railway. At the present time the Canadian Pacific and the Canadian National can charge for hauling grain from bay ports to Halifax and Saint John only the same rate that is charged from Buffalo to New York. But the distance between Buffalo and New York is only 400 miles, whereas from bay ports to Saint John it is 900 miles, and to Halifax nearly 1,200 miles. The two railways admit that they are losing money at these rates, and they are not eager to get the business. That is why there are almost no exports of grain via Halifax and Saint John, and why New York gets nearly all the business that should be going to these ports.

Hon. Mr. McMEANS: The Transcontinental was built for hauling grain.

Hon. Mr. RAINVILLE: But to-day we are trying to make the Transcontinental pay.

Hon. Mr. McMEANS: Half of it has been abandoned. How can it be made to pay?

Hon. Mr. RAINVILLE: I am seeking to show that if we had only an all-rail route in this country not a single bushel of grain would pass through our Eastern ports for shipment abroad. A few years ago we tried the experiment of bringing coal from Alberta to Ontario. The haulage was not very great, but the experiment proved a complete failure and I believe the railroads are not continuing it. Our railroads were built to supplement the water route, and without a water route we could not give the people of the West a rate low enough to induce them to export their products via our Eastern seaboard.

Billions of dollars have been spent on our railroads. For example, the outlay on the Hudson Bay line has been \$54,000,000, and in Montreal we have started on a terminal that was estimated to cost \$50,000,000. On the Welland Canal we have spent \$128,000,000. But what has been the expenditure for the improvement of our water route? I want to call the attention of honourable members to the fact that during the last 110 years the dredging of the St. Lawrence from Montreal down to Quebec has cost us only \$35,000,000, and of this sum \$13,000,000 was paid to the shipyard at Sorel for the building and repairing of dredges. I mention this because it may be that many honourable members are of opinion that the dredging of the St. Lawrence channel from Montreal eastward has cost an immense sum of money, whereas the fact is that the actual expenditure over the last 110 years has been only \$22,000,000.

Hon. Mr. McMEANS: Is that not enough?

Hon. Mr. RAINVILLE: It is very little in comparison with the sum spent on the Welland Canal and on our railroads. We are losing a large amount of money every year because of our neglect to improve the St. Lawrence route as it should have been improved. The marine insurance rates on shipments via the St. Lawrence are and always have been double the rates via New York. We have to pay 5 per cent on hull and cargo, as compared with the New York rate of 2½ per cent. Taking into account only the shipments that are made from Montreal, excluding those that go from Sorel, Three Rivers and Quebec, we find we are paying for hull insurance alone two and a half million dollars more than we should have to pay if the shipments went via New York.

Hon. Mr. GORDON: Each year?

Hon. Mr. RAINVILLE: Each year. On cargoes the excess cost of insurance amounts to another \$1,000,000. This makes a total of \$3,500,000. We appreciate the six-cent British preference on our wheat shipped direct to Great Britain from Canadian ports. The shipments of Canadian grain via New York for the past ten years have averaged between seventy and eighty million bushels a year. If this business were diverted to the St. Lawrence route we should have to pay, on account of the double rate, a further excess of \$1,500,000 for insurance. Altogether \$5,000,000 a year could be saved by improving the St. Lawrence channel. Would this possible saving of \$5,000,000 a year not make it worth our while to try to take good care of our channel between Montreal and the sea, and finish the good work begun in 1825?

As I said at the outset, I have no grudge against the West. I do not blame our wheat growers for seeking a cheap outlet to the sea. I repeat, if there is any blame at all, it is for our neglect to make safe the route that Nature has provided for us. It should be made so safe that exported grain and imported goods would not be overtaxed for insurance, and the returns to the farmers of the West would be improved by a reduction in the cost of transporting their wonderful wheat to the markets of the world.

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

CANADA GRAIN BILL

THIRD READING

Bill 79, an Act to amend the Canada Grain Act.—Right Hon. Mr. Meighen.

BANK CHARTERS CONTINUATION BILL

THIRD READING

On the Order:

Third reading of Bill 27, an Act to amend the Bank Act.—Right Hon. Mr. Meighen.

Right Hon. Mr. MEIGHEN: Honourable senators, on the Order Paper my name appears as that of the mover of the motion, but for the moment I do not wish to have the Bill read the third time. It will be noticed that the Bill does not amend the Bank Act. A clause should be inserted, similar to the clause contained in the 1911 and 1912 legislation of like character, defining the Bill. I will ask the honourable senator from Welland (Hon. Mr. Robertson) to move:

That this Bill be not now read a third time, but that it be amended by inserting at line 3 of page 1 the following as new clause a:

(a) This Act may be cited as the Bank Charters Continuation Act, 1933.

Hon. Mr. ROBERTSON: Honourable senators, I so move.

Right Hon. Mr. GRAHAM: Is that the title?

Right Hon. Mr. MEIGHEN: That is the citation. What we regard as the title remains—"An Act to amend the Bank Act." It does not seem very logical. Undoubtedly this Act should be cited as the Bank Charters Continuation Act, 1933.

The amendment was agreed to.

Right Hon. Mr. MEIGHEN moved the third reading of the Bill, as amended.

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

QUEBEC SAVINGS BANKS BILL

THIRD READING

Bill 28, an Act to amend the Quebec Savings Banks Act.—Right Hon. Mr. Meighen.

PRIVATE BILL

SECOND READING

Bill 41, an Act to incorporate the Sarnia-Port Huron Vehicular Tunnel Company.—Hon. Mr. Little.

DIVORCE BILLS

SECOND READINGS

On motion of Hon. Mr. McMeans, Chairman of the Committee on Divorce, the following Bills were read the second time:

Bill U, an Act for the relief of Emily Florence Lawrence Knight.

Bill V, an Act for the relief of Marjorie Bertha Willcox.

Bill W, an Act for the relief of George Andrew Carruthers.

Bill X, an Act for the relief of Liliás Torrence Newton.

Bill Y, an Act for the relief of Hilda Mary Falkenberg Gilmour.

Bill Z, an Act for the relief of Eva Amy Falle Jordan.

Bill A1, an Act for the relief of Joseph Claremont Carroll.

Bill B1, an Act for the relief of Venita Angeline Scotten Kendall.

APPROPRIATION BILL No. 4

FIRST READING

Bill 83, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1934.—Right Hon. Mr. Meighen.

The Senate adjourned until Tuesday, May 9, at 3 p.m.

THE SENATE

Tuesday, May 9, 1933.

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

Prayers and routine proceedings.

HAY AND STRAW INSPECTION BILL

THIRD READING

Bill 22, an Act respecting the Inspection and Grading of Hay and Straw.—Right Hon. Mr. Meighen.

Right Hon. Mr. MEIGHEN.

THE ROYAL ASSENT

The Hon. the SPEAKER informed the Senate that he had received a communication from the Assistant Secretary to the Governor General, acquainting him that the Right Hon. Lyman P. Duff, Chief Justice of Canada, acting as Deputy of the Governor General, would proceed to the Senate Chamber this day at 5 p.m. for the purpose of giving the Royal Assent to certain Bills.

COMMITTEES OF THE SENATE

STATEMENT

Hon. R. DANDURAND: Honourable senators, on Wednesday last the honourable member from Rigaud (Hon. Mr. Wilson) put a question to the right honourable leader of the House (Right Hon. Mr. Meighen), asking why his name did not appear on any of our committees. I was absent on that day, but I have read his remarks in Hansard. The right honourable gentleman, being somewhat unfamiliar with the practice of the Committee of Selection, was unable to answer the question. I do not complain of his inability to deal with the matter, for he is a new-comer and is better acquainted with the customs of the House of Commons, which do not coincide with ours.

The answer is fairly simple: it is because of the absence of the honourable senator for Rigaud during the sessions of 1930, 1931 and 1932. Owing to illness he was unable to attend, except to be introduced, during the session of 1931. Although the honourable gentleman was present at the opening of this session, we were informed that he was still ailing and would not be able to attend our sittings regularly. So we did not deem it proper to impose upon him the responsibility of committee membership. Fortunately, within six weeks the honourable gentleman recovered his health and was able to assume his senatorial duties. We are most happy to have him amongst us again, and we hope he will long continue to serve the public weal.

I may say that in consonance with our tenure of office, appointments to the various committees are deemed to be for life; consequently it has been somewhat difficult to place new-comers on some of the committees, for, except in case of prolonged illness, the appointments are very seldom disturbed. I recall a few comparatively recent cases in which, after members of certain committees had been unable to attend for two consecutive sessions, we felt free to drop them and appoint new-comers in their stead. It is much easier to place than to displace.

Now, with his health fully restored, my honourable friend will be able to render very useful service on our committees. He has been a successful business man, and, having been a large importer, he is conversant with many of the laws and policies which come before us for review. He has also taken a deep interest in agriculture. I remember when, a few years ago, I was asked to deliver over the air a lecture advising young men to remain on the farm, I received from the honourable gentleman a memorandum indicating what should be done to improve conditions in our rural districts in order to make life more interesting and attractive to the farming community. It was a well thought out document which showed a grasp of the problem. Undoubtedly, both in business and in agricultural matters he will be able to give us valuable advice.

While on this subject of standing committees I should like to tell my colleagues something of the task of the striking committee. We must give to the four great sections of this country, the Western Provinces, Ontario, Quebec, and the Maritimes, fair representation on all committees, and at the same time strive to maintain an even balance between the two parties. It is, I believe, in this instance only that party affiliations appear on the surface and impose themselves on our attention. Most of our committees are small. A year or two ago we enlarged a few of them. We might well consider the advisability of enlarging most of the committees. As I said a moment ago, by tradition the appointments to the various committees are continued from session to session except in case of transfer from one committee to another. If at the opening of the session there is a vacancy in the representation of one of our geographical groups, it is generally filled by the appointment of a member from the same section and the same political party as the departed senator.

Another feature that must not be lost sight of is the seniority rule. Members on both sides of the House go to their leaders, or to members of the striking committee, and express a desire to be put on certain committees, but I know of a number of my colleagues who, in consequence of the seniority rule, have had to wait two or three years before securing a place on the committee on which they desired to serve. I may say that for some years past we have practically commandeered a certain number of senators to sit on the Divorce Committee and perform a very disagreeable task. In some cases they accepted with great reluctance. When there were some three hundred applications to be dealt with, these gen-

tlemen sacrificed their time in the mornings and afternoons, and sometimes in the evenings, and by reason of their service on this committee were deprived of the advantage of membership in committees on which they would have preferred to serve.

I mention these things so that my honourable colleagues may have some idea of the difficulty of forming the various committees. Even though we do our utmost, we are unable to satisfy everybody. We cannot appoint the whole membership of the Senate to committees, for the limitation imposed by this House permits of the appointment of only fifty per cent of our membership. I hope my honourable colleagues who surround me, and for whom, in part, I have been acting, along with other members of the Committee of Selection, will understand that whatever may have been our faults of omission or commission—and in regard to those I beg their kind indulgence—our efforts have always been directed towards doing our very best on their behalf.

APPROPRIATION BILL NO. 4

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 83, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1934.

He said: Honourable senators, this Bill is to provide the usual one-twelfth, and will be the last of its kind this session.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

HUDSON BAY TERMINALS

INQUIRY AND DISCUSSION

The Senate resumed from May 4 the debate on the question proposed by Hon. Mr. Casgrain:

To call the attention of the Senate to the cost of development, work and other germane expenditure at Fort Churchill and Port Nelson, and inquire what economies the Government proposes to make in connection with those ports.

Hon. A. B. GILLIS: Honourable senators, I very much regret that the honourable gentleman who brought this question before the House is not in his seat to-day. This subject has been so often debated in this House and

elsewhere that I think it is hardly necessary for me to say very much, particularly in view of the fact that the railroad is now completed and the feasibility of the scheme is beyond question. The honourable senator who has called attention to the matter seems to be unable to refrain from indulging in criticism of the Hudson Bay project whenever the opportunity offers. The mere mention of the Hudson Bay Railway is to him like the proverbial red rag to a bull. He is ready to argue against it at any time.

The Hudson Bay Railway has been a live issue in Western Canada for many years. In my first political campaign for election to the Territorial Legislature, forty years ago, it was one of the questions with which we had to deal, and from that time on every local and federal election was fought to a greater or less degree on the question of the Hudson Bay Railway. I think I can safely say that all the people of Manitoba and ninety per cent of the people of Saskatchewan are a unit in favour of this route. They have been advocating it during all these years in the hope that when completed and in operation it would be of great advantage to the Western Provinces. Manitoba and Saskatchewan, with a population of 1,621,924, are surely entitled to have their desire in this respect gratified.

I quite agree with the honourable senator from De Lanaudière (Hon. Mr. Casgrain) that it was most unfortunate that Nelson was selected in the first instance rather than Churchill—an error which resulted in the waste of several million dollars. Where the fault lay I cannot say definitely, but I presume it was to a large extent due to the reports made by the engineers from time to time. It is not my intention to go into the details of this phase of the question, as the facts are well known to everyone.

The honourable gentleman also referred to the country tributary to the Hudson Bay Railway as a "God-forsaken country." One would infer from his statement that it was of no value whatsoever, and that there was nothing to induce people to settle there. Yet we find that there are thousands of acres of good, arable land adjacent to the railroad for two or three hundred miles north of the Pas; furthermore, that area is known to be rich in minerals—there is one mine to-day producing at the rate of \$40,000 a day—and there is a large quantity of timber fit for pulpwood and other purposes. Besides, there are huge lakes teeming with the finest fish in the world.

With the permission of the House I will read a statement by Mr. W. A. Thornton, who

Hon. Mr. GILLIS.

was for a number of years the Auditor of the Hudson Bay line:

A large portion of the country through which the line runs is fit for agriculture, and will some day provide desirable traffic for the line. The railway authorities should interest themselves in colonization movements and induce settlers of the pioneer type to come into this belt.

That indicates the honourable gentleman's description of the territory adjacent to the railway is absolutely inaccurate.

The honourable gentleman dealt at considerable length with the alleged difficulties in navigating the straits. He contended that these difficulties were almost insurmountable and that only ships with what he called "saucer bottoms" can be safely operated there. Now, we find that last season, when the first real experiment in shipping out of Churchill was made, ten vessels arrived safely at that port and none of them was of the "saucer bottom" type. They were loaded with wheat to a total of almost 3,000,000 bushels, and with one exception they all returned with their cargoes to Liverpool or other European ports. Unfortunately, the Bright Fan struck an iceberg.

Hon. Mr. McMEANS: Or an iceberg struck her.

Hon. Mr. GILLIS: The accident occurred a few hours after the ship had left Churchill Harbour. It has been alleged in another place that the ship was deliberately wrecked; that no proper look out was kept on board, although a warning had been given to the officers of the presence of icebergs in the bay; that the crew were celebrating shortly before they left the harbour, and that at the time of the accident the captain was in bed and the second officer in the chart-room, the only person on any part of the deck being a boy at the wheel. I cannot vouch for the accuracy of those statements, but they have been made on more than one occasion. I think the most charitable conclusion we can come to is that but for the utter carelessness of those in charge the ship would have arrived safely on the other side of the Atlantic, as the nine other ships did. The honourable gentleman sought to condemn this route because of that single accident. Accidents of a far more serious nature have occurred in almost every navigable water in the world, yet none of those waters has been abandoned by navigators on that account. On the Atlantic Ocean itself about twenty years ago there was one of the greatest disasters that have ever occurred at sea, when the Titanic struck an iceberg and sank, and thirteen hundred or more lives were lost.

From the Hudson's Bay Company's log book, over the period from 1825 to 1894, a table was compiled by the late Senator Ferguson, of Prince Edward Island, showing the length of the open season on the bay. The longest open season was 5 months and 18 days, and the shortest was 4 months and 8 days. The following interesting testimony was given by Dr. Robert Bell, who I think was connected with the University of Manitoba, with regard to other points in the bay somewhat south of Churchill:

I have a record of the principal phenomena of the seasons at Martin's Falls, on the Albany, extending through a period of fifty years, and from it I find that the river is open there on an average of six months in the year. I have also a record of the dates of opening and closing of Hayes river at York Factory, extending over more than fifty years, from which it appears to enjoy an average of fully six months of open water. The Nelson river is open for a longer period.

I should also like to quote from the testimony given before a committee of this House a few years ago by Captain Bernier, an explorer and celebrated navigator, with whom a number of honourable members are acquainted. On a couple of occasions in the last year or two I have had the pleasure of conversing with him. I am sure that no one would for a moment question the accuracy of his statement. He says:

The Hudson Bay and Strait are open to navigation the year around, but as far as the strait is concerned icebergs block the way in places according to where the current into or out of the bay drives them. With wireless stations established so that ships could be directed in their course the Hudson Bay ports

would rank amongst the most important on the continent, owing to the very appreciable difference in distance to Europe compared with that of other ports.

I think the two statements I have read should carry much more weight than those of the honourable gentleman who began the debate (Hon. Mr. Casgrain), who, so far as I know, has never had any personal experience in the Hudson Bay country.

The test shipments made from Churchill last year proved that, despite adverse conditions existing on the newly-established route, wheat produced in northern Saskatchewan was landed in Europe at a cost approximately 4½ cents a bushel less than it would have been if the shipments had been made through Montreal. Let us look at the facts. The insurance rate via Churchill is five times as high as that via Montreal. The total insurance on a cargo of 280,000 bushels out of Churchill would be \$2,100, as compared with \$500 out of Montreal. In the last day or two I have learned that the Government of Saskatchewan has succeeded in arranging with Lloyd's of London for a reduction of 33¼ per cent in insurance charges on shipments out of Churchill, which reduction should be a great benefit to that port.

Test shipments of flour were also made from Churchill, and it was found that a 100-pound sack could be landed at Liverpool for 19 cents less than if shipped by Montreal.

It is interesting to compare the rail rates on live stock from Western points to Churchill, with the rate to Montreal. Here are some of the figures:

From—	To Montreal (Rates per car of 20,000 lbs.)	To Churchill	Savings in rates to tidewater
Winnipeg stock yards.. . . .	\$170	\$116	\$ 54 00
Swan river.. . . .	202	94	108 00
Yorkton.. . . .	202	96	106 00
Saskatoon.. . . .	225	102	123 00
Moose Jaw.. . . .	221	108	113 00
Edmonton.. . . .	229	126	103 00
Calgary.. . . .	229	132	97 00
			\$704 00
			100 57
			Average reduction per car.. . . .
			or 50¼ cents per 100 pounds.

I think honourable senators will agree that when the Hudson Bay route is well established and up-to-date steamers are plying into and out of Churchill the advantage to the people of the West in shipping via that route will be very great. It is difficult to understand why anyone should be opposed to this route. At the present time a large percentage of our Western wheat has to find its way abroad through the American ports of Buffalo and

New York. As pointed out the other day by the honourable gentleman from Repentigny (Hon. Mr. Rainville), we have not complete facilities for shipping to Montreal or other ports in Eastern Canada. Why should we not try to build up the Hudson Bay route with a view to diverting to it much of the grain that we now ship through the United States?

We must remember that only a comparatively small portion of the Prairie Provinces is under cultivation at present; there are millions of acres of virgin soil in the West. In the course of a relatively short time, when this land is being worked, we shall be producing enough grain to supply tonnage for Montreal and Vancouver, as well as Churchill. Therefore I think every encouragement should be given to the effort to make the Hudson Bay route usable.

I believe it can be safely said that in a few years the republic to the south of us will be importing rather than exporting wheat and other grains. In 1931 the United States produced 800,880,000 bushels of wheat, and in 1932 the production was 700,200,000, a decrease of 100,680,000 bushels. But Canada in 1931 produced 300,040,000, and last year 400,320,000 bushels, an increase of 100,280,000. These figures show that our production is increasing rapidly, whereas that of the United States is decreasing.

Hon. Mr. DANDURAND: Will the honourable gentleman allow me to ask him a question? Was that increase of production in the Canadian West due to a better crop or to a larger acreage?

Hon. Mr. GILLIS: The year 1931 was an off year, and in 1932 also the production was comparatively low. I think three or four years ago we produced nearly 500,000,000 bushels of wheat in the Western Provinces.

Hon. Mr. FORKE: In 1928.

Hon. Mr. GILLIS: Our population is only one-twelfth of that of the United States, yet in 1932 we produced more than half as much wheat as that country did. Canada is able to grow more grain of the highest quality than any other country in the world except the United States. Should we not take advantage of this fact and endeavour to increase our production to the greatest possible extent?

My chief purpose in rising was to point out a few facts with regard to the Hudson Bay route. The people of the West are deeply interested in this route, and there is every reason why the East should be equally interested, for if the routing of grain via Churchill results in higher profits to the producers, the country as a whole will benefit. We should look upon this new northern route from a national rather than a provincial standpoint.

Hon. F. L. SCHAFFNER: Honourable senators, as I have lived for more than fifty years in the wonderful Province of Manitoba, I feel it behooves me to try to refute some

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of the remarks of my honourable friend from De Lanaudière (Hon. Mr. Casgrain). He has always taken a deep and intelligent interest in transportation problems, in which he is justly considered an expert, and on many occasions in the past sixteen years it has been my privilege to listen to his expositions on this subject, but I must confess that I think he has not added to his reputation by his criticism of the Hudson Bay route. I have carefully studied his address of last Thursday, and cannot help feeling that in the back of his mind he is unfairly prejudiced against this new sea route, which I believe is bound to become of tremendous importance to the Prairie Provinces.

During the half century that I have had the honour of being a resident of Manitoba that route has been a political football. Even when I went out there first one party or the other was advocating the building of a road to Hudson Bay.

Hon. Mr. GILLIS: Both parties were.

Hon. Mr. SCHAFFNER: Everything possible has been done to make the sea route to Churchill available and safe for the carrying of grain and cattle. All modern aids to navigation have been established, including radio stations for the direction of ships through areas in which, on account of proximity to the magnetic pole, compass readings are unreliable.

In September, 1931, two tramp steamers were chartered for test shipments from Churchill. The Farnworth came into that port on September 10, was loaded with 277,000 bushels of wheat, sailed on the 17th, and arrived at Albert Docks on October 4; and the Warkworth, which arrived at Churchill on September 17, took on 267,769 bushels, sailed on September 21, and reached Antwerp on October 13. Arrangements for these ships were made by the Dominion Government, while the shipments of wheat were provided by John McFarlane, of the Canadian Wheat Pool. No untoward incidents marked the voyage of these vessels to Hudson Bay or their return voyage to Europe. The successful completion of the trial trips marks the end of the first stage of the project to give Western Canada more convenient access to the markets of Europe.

The proposal to build a railway line to Hudson Bay and establish an ocean port at Nelson or Churchill was before the public for fifty years. The Prairie Provinces favoured the undertaking, but Eastern Canada demurred, on the ground that the cost would

exceed any potential benefits. The completion of the project was due ultimately to the increasing importance of Western Canada, political and economic, and the deep-seated sentiment of the people that such a route would bring the advantage of ocean transport a thousand miles nearer to Western producers.

Churchill stands in the same relation to the Western Provinces as do Fort William and Port Arthur. The distance from Churchill to Liverpool is 40 miles shorter than from Montreal, that is, 2,967 as against 3,007 miles. Hence the great advantage of shipping by the northern port is that this route eliminates distance equal to that between the head of the Lakes and Montreal.

Let me give honourable members comparative distances from points in Western Canada to Churchill and to Montreal:

	Miles
Brandon to Montreal.. . . .	1,555
Brandon to Churchill.. . . .	940
Winnipeg to Montreal.. . . .	1,422
Winnipeg to Churchill.. . . .	945
Prince Albert to Montreal.. . . .	1,958
Prince Albert to Churchill.. . . .	717
Saskatoon to Montreal.. . . .	1,924
Saskatoon to Churchill.. . . .	806

At the present time freight and handling charges on the Eastern route, that is, from Port Arthur and Fort William to Montreal, represent about 8½ cents a bushel. As my honourable friend from Repentigny (Hon. Mr. Rainville) stated last week, the opening of the St. Lawrence Waterway will lead to a reduction in these charges. I was pleased with his remarks. While he mildly criticized the building of the Hudson Bay Railway, he mentioned a very important factor that led the people of the Prairie Provinces to endeavour to establish a new route, namely, the neglect of Eastern Canada to provide proper transportation by improving the St. Lawrence Waterway.

While a member of the other House I listened to several debates on the practicability of the Hudson Bay route, and since I took my seat in this Chamber the subject has been frequently discussed. It takes time to demonstrate the possibilities of a shipping route. Even the port of Vancouver, which is fast becoming our major grain-shipping port, met with opposition at first. It was claimed that wheat could never be transported through the Panama Canal, as in its passage through the Canal Zone the heat and moisture would swell the cargo and burst the ships. Fortunately these fears proved to be groundless. The first shipment of grain from Vancouver was in 1909—a shipment of 50,000 bushels sacked. The first bulk grain cargo, consisting of 500,000 bushels, was shipped

from Vancouver in 1921. Figures prepared by the Statistical Department of the Board of Grain Commissioners show that from August 1, 1931, to July 31, 1932, out of a total of 173,000,000 bushels of Canadian wheat exported, 76,000,000 bushels were shipped through Vancouver, 64,000,000 bushels through Eastern Canadian ports, and 33,000,000 bushels through United States ports. I should like to suggest to my honourable friends from Eastern Canada that there is a possibility of a very large proportion of the grain now shipped through Montreal being routed through Churchill.

In addition to the transportation of wheat, we believe the Hudson Bay route is going to be of the utmost importance in the shipping of cattle. My honourable friends from Calgary (Hon. Mr. Burns) and High River (Hon. Mr. Riley), who are large exporters of cattle, may not agree with me, but I have always understood that cattle lose weight during a long rail journey, but that, on the contrary, they gain weight during an ocean voyage. If my understanding is correct, then the advantage of the Hudson Bay route for the shipping of cattle is obvious.

In Western Canada there is no antipathy against Montreal or the East. The people of the Western Provinces believe that Hudson Bay is the cheapest possible route for exporting to the Old Country their grain and cattle and any other commodities they may produce. Montreal is a great manufacturing and commercial city, and every citizen of Canada is proud of it. There can be no doubt that both Montreal and Toronto have been built up to a considerable extent by their trade with Western Canada, where we have a consuming population of over 3,000,000. While there are a few manufacturing industries in the West, and I hope to see more established, they are utterly inadequate to supply the West with farm machinery and other manufactured goods. Therefore the more money the people of the Prairie Provinces can make, the more they will have to buy goods from Montreal and Toronto, but principally, I think, from Montreal.

When last week my honourable friend from De Lanaudière (Hon. Mr. Casgrain) introduced this subject he referred to the attempt to establish a port at Nelson. My right honourable friend from Eganville (Right Hon. Mr. Graham) is not in his seat at the moment, but I think he will agree with me that both political parties must share the responsibility for any work done at Nelson. My honourable friend from Saskatchewan (Hon. Mr. Gillis) has said that no doubt the Govern-

ment of the day acted on the advice of its engineers in selecting Nelson as the terminal for the Hudson Bay Railway. I remember very distinctly, and I dare say those of my colleagues who were formerly in the other House will also recall, the numerous meetings of the committee which investigated the Hudson Bay route and the suitability of Nelson as the terminal. To-day, I am confident, most people wonder why any attempt was ever made to establish a port at Nelson. I understand that all parties in the other House approved the action of the then Government in selecting Mr. Palmer, an eminent British authority on ports and harbours, to visit Nelson and Churchill and advise whether or not Nelson should be abandoned in favour of Churchill. After a very thorough investigation he recommended that Churchill should be selected as the port and that the necessary terminal facilities should be constructed. I understand there is deep water from the Bay to the port, and that the wharf is sufficient to accommodate three large ships, while there is anchorage for three more. As honourable members are aware, there is an elevator at Churchill with a capacity of 2,500,000 bushels, and the unloading facilities will take care of 400 cars a day. It is said that during the ordinary season of navigation, extending over about two and a half months, there would be no difficulty in loading 28,000,000 bushels of grain. Once more I would impress on my honourable friends from Montreal that there is every probability of at least three-quarters of the grain of the Prairie Provinces finding, in the near future, an outlet at Churchill. I think that in the long run this will not prejudicially affect the port of Montreal, for it must always continue to be one of our greatest national ports.

Last week my honourable friend from De Lanaudière (Hon. Mr. Casgrain) said that someone had warned him, "Never try to convince anybody unless you are paid to do so." I do not know that I ever heard a similar warning, but perhaps it is familiar to lawyers. He also said:

In good years I am paid \$4,000 a session, and I take it that I should earn my indemnity by trying to convince the country of the folly of spending money on unprofitable public works.

I think all honourable members will agree with that excellent doctrine. I had not the honour to be a member of this House when the Transcontinental and Grand Trunk railways were projected. The building of these two railways involved a tremendous capital outlay, and some of our railway worries to-day may be traced to that expenditure. If

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I consulted Hansard I might be able to ascertain whether my honourable friend from De Lanaudière opposed those two projects. I think I am correct in saying that one very honourable gentleman was so strongly opposed to the railway policy of the Government of that day that he resigned his portfolio. But I do not think we should be unduly pessimistic in regard to the railway situation. Our two great railway systems did pretty well when times were good, and I am confident that with a revival of trade they will come into their own.

The Hudson Bay route is of the utmost importance to the people of the West, and I would ask our friends in Eastern Canada to give it a fair chance. As I have said, the people of the Prairie Provinces believe that in the Hudson Bay route they have the cheapest means of transporting their products to the Old Country. And I repeat, the more prosperous are we in the West the better it will be for Eastern Canada, and especially for Montreal and Toronto. There is no question about that. I think I am right in saying that the great majority of the farm implements used in the three Prairie Provinces are manufactured in Ontario and Quebec. Can you blame the farmers of the West for endeavouring to secure, even though it involve considerable expense, a route by which they can more cheaply and more quickly ship their products to Europe?

I have heard the objection that grain shipped by way of Churchill had to remain in that port for a considerable period, as it could not be shipped out before the month of August. In respect to the season of navigation I would refer honourable gentlemen to the late Senator Ferguson, of Prince Edward Island, who made a very strong speech in favour of the route. I have no doubt the honourable leader on the other side of the House (Hon. Mr. Dandurand) remembers him. He was a very fine man. He took as the basis of his remarks the period of navigation, not for a year here and there, nor for a few years only, but for fifty alternate years. This, I think it will be admitted, is the fair way.

My honourable friend from Saskatchewan (Hon. Mr. Gillis) referred to the ship that was lost last summer. We all regret the occurrence. Many people felt that it gave a black eye to the route. I have in my hand the report of the commission which investigated the wreck. I cannot bring myself to believe that the captain and the officers of a ship would make a deliberate attempt to destroy her. While that theory may seem to

have some foundation in fact, I have not much sympathy with it, and am not inclined to place much confidence in the statement that such an attempt was actually made. We do know that the ship was a long way off her course, and that during the most hazardous part of the voyage a fifteen-year-old apprentice was assigned to the duty of keeping watch. I may say in passing that icebergs never appear in Hudson Bay; they are all to be found in the strait. The strait, if my figures are correct, varies in width from fifty to one hundred miles. Even though a vessel is completely equipped with appliances for safety, while she is passing through the strait a sharp look out is necessary. The report to which I have referred, and which honourable gentlemen have seen, is very fair. It said that there was too much liquor on board this ship. The investigating commission found that this was not correct. Liquor may be blamed for many things, but it was not to blame for the loss of this ship.

The honourable gentleman from De Lanaudière (Hon. Mr. Casgrain) referred to the loss of a \$400,000 dredge. Why he did that in discussing the Hudson Bay route I do not know. This dredge was lost, not in Hudson Bay nor in the strait, but off the coast of Labrador, half-way between the Strait of Belle Isle and Cape Chidley.

If honourable members will look at Hudson Bay on the map of Canada, as I have often done, they will observe how far that great inland ocean, with over two thousand miles of coast-line, extends into the interior of the country, and how near it is to the wheat-producing provinces of the Prairies. In so placing it Providence has done much to afford the people of the Prairies a gateway through which they may export their cattle and their grain, and it is my belief that in opposing this route the people of the East are trying to obstruct the design of Providence.

Hon. C. C. BALLANTYNE: Honourable gentlemen, I had not intended to say anything on this subject, but in reference to the remarks of the honourable senator from Winnipeg—

Hon. Mr. McMEANS: I beg the honourable gentleman's pardon. I have made no remarks.

Hon. Mr. BALLANTYNE: —the honourable senator who has just resumed his seat, the honourable member from Boissevain (Hon. Mr. Schaffner), who has laid great stress upon what he apparently regards as Eastern antagonism, I may say to him that the people of the city of Montreal and of the province

from which I have the honour to come have no hostile feeling whatsoever towards the Hudson Bay route. We believe in the unity of Canada. The more each and every province grows and prospers the better it will be for the country as a whole. Certainly if the people of Quebec entertained the ideas that the honourable gentleman seems to think they entertain, we should not be exhibiting that national feeling which we think is so desirable.

Having had some years of experience as Harbour Commissioner of Montreal, and having been also, for some four or five years, Minister of Marine and Fisheries, I know that grain always follows the cheapest route. There is no sentiment in connection with the shipment of grain. If in the future the Hudson Bay route should prove to be all that my honourable friend has so eloquently pictured, so much the better. The only criticism of that route that I have ever heard in Eastern Canada was that before the establishment at Nelson of a port, which had to be transferred to Churchill at a cost of \$6,000,000, a careful survey should have been made by competent and experienced navigators in order that the facts in regard to safety and climatic conditions might be ascertained.

One thing that I have learned from talking to shipping men is that you cannot expect to develop a very great grain trade through Hudson Bay unless you induce return cargoes. The carriage of grain alone does not pay. I sincerely trust that in the very near future large cargoes and many ships will come from the ports of the Old World to Fort Churchill, and that the development of that port will justify the \$55,000,000 which has been spent upon it. We in the East may be rather impatient, but what disappoints us is that more has not been done by the people of the West. A 2,000,000-bushel elevator has been erected, the service of which has been given free to the Western shipper.

Hon. Mr. GILLIS: Just for last year.

Hon. Mr. BALLANTYNE: Yes, and the present time. The Government has done everything it could to make the route a successful one for the shipping of grain. Possibly I should not offer any advice to my Western friends, but I am going to dare to do so. I think they ought to do more than they have done to encourage shipment via Hudson Bay. Why do they not induce the wholesalers of Winnipeg and other Western cities to have their goods routed to them that way?

Hon. Mr. SCHAFFNER: They are doing so.

Hon. Mr. BALLANTYNE: Only to a very limited extent. I think a great deal more could be done in that regard.

Before I resume my seat I should like to say to all Western senators that they must disabuse their minds at once of the idea that there is animosity or antagonism on the part of Easterners in reference to the Hudson Bay or any other route. It was a great pleasure for me, when I was Minister of Marine, to see how the port of Vancouver was developing the grain business. When I was in Vancouver in 1920 only a negligible quantity of grain was shipped from that port; last year there were shipped 114,000,000 bushels, 75,000,000 of which were wheat. That was very pleasing to me as an Easterner, and was pleasing also, I am sure, to all the people of Canada, from one coast to the other. Anything that the East can do by joining hands with our friends in the West to develop the Prairies will certainly be regarded as both a pleasure and a privilege. We never can build up Canada in the way that we hope for if one province entertains the idea that another province is hostile, and my only object in rising at this time is to say that there is no feeling of hostility in the city of Montreal or in the province from which I come.

Hon. J. S. McLENNAN: Honourable gentleman, I should like to correct the honourable gentleman from Boissevain (Hon. Mr. Schaffner). If I remember correctly what has been said with respect to the Hudson Bay route by the honourable senator for De Lanaudière (Hon. Mr. Casgrain) during the sixteen years or so that I have been a member of this House, his opposition was directed mainly against the selection of Port Nelson as the terminal of the Hudson Bay Railway; and results have proved the soundness of his judgment in that respect.

I should like to associate myself with the honourable gentleman who has just taken his seat (Hon. Mr. Ballantyne) in protesting against the feeling of our friends from the West that there is in the East hostility to this project. Quite apart from the principles of patriotism, of which he has spoken, or the mutual dependence of the provinces, there is a third material reason—and it is world-wide—why those peculiarly interested in established ports, such as Montreal, should feel that there is no danger arising from the establishment of rival routes. If you survey the history of the development of the various ports of Europe you will find that every

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established port which has increased its facilities has secured a proportionate increase of business. Take for instance Glasgow, on an almost fordable stream; or Liverpool, where, if the tide is out, we can see as we leave by train the early development of the port. Take Antwerp, Rotterdam, Hamburg, Cherbourg—a port into which the largest ships can now go. All have increased their business. Then we have our own port of Montreal. The outstanding case is that of Liverpool. Manchester found its trade slipping away, and the people of that city determined to make it a seaport. They did so by raising a sum of money and building the Manchester ship canal. It looked then as if Liverpool were going to lose at one blow a great part of its trade, namely, the incoming supply of raw cotton, and the cotton goods going out to all parts of the world. Hitherto this trade had been carried on exclusively through the port of Liverpool. Liverpool met the situation by improving its docks and deepening the channel; and although Manchester has made a brilliant success of its ship canal, the port of Liverpool has made an equally great success in holding its place among the ports of the world. It is a curious fact that notwithstanding all the shipping done on the Manchester ship canal, Liverpool is still the world's greatest cotton port. I think the history of other great ports shows that Montreal has nothing to fear from the development of harbours elsewhere in the Province of Quebec, in the Maritimes, in Ontario, or the far West. It is my opinion that the more familiar we become with the growth of our shipping, and of our country as a whole, the more ready we shall be to say to our Western friends, "Go ahead and get all the business you can for the Hudson Bay route." We should wish the port of Churchill every success, realizing that whatever works to the advantage of the West will be for the good of the East as well.

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

CUSTOMS BILL

FIRST READING

Bill 30, an Act to amend the Customs Act.—Right Hon. Mr. Meighen.

SOLDIER SETTLEMENT BILL

FIRST READING

Bill 45, an Act to amend the Soldier Settlement Act.—Right Hon. Mr. Meighen.

CANADIAN NATIONAL RAILWAYS FINANCING BILL

FIRST READING

Bill 73, an Act respecting the Canadian National Railways and to authorize the provision of moneys to meet expenditures made and indebtedness incurred during the calendar year 1933 and to authorize His Majesty to make loans and advances to the Canadian National Railway Company.—Right Hon. Mr. Meighen.

COMPANIES' CREDITORS ARRANGE- MENT BILL

FIRST READING

Bill 77, an Act to facilitate Compromises and Arrangements between Companies and their Creditors.—Right Hon. Mr. Meighen.

RAILWAY BILL

FIRST READING

Bill 80, an Act to amend the Railway Act.—Right Hon. Mr. Meighen.

EXCISE BILL

FIRST READING

Bill 94, an Act to amend the Excise Act.—Right Hon. Mr. Meighen.

DIVORCE BILL

FIRST READING

Bill D1, an Act for the relief of Angelo Stavrow.—Hon. Mr. McMeans.

The Senate adjourned during pleasure.

THE ROYAL ASSENT

The Right Hon. Lyman P. Duff, the Deputy of the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Right Hon. the Deputy of the Governor General was pleased to give the Royal Assent to the following Bills:

An Act respecting the Canadian Anthracite Coal Company, Limited.

An Act to amend the Criminal Code (Offensive Weapons).

An Act to amend the Royal Canadian Mounted Police Act.

An Act to amend the Penitentiary Act.

An Act to incorporate Devonshire Jockey Club.

An Act respecting the Nipissing Central Railway Company.

An Act to amend the Canada Grain Act.

An Act to amend the Quebec Savings Banks Act.

An Act respecting the Algoma Central and Hudson Bay Railway Company.

An Act to amend the Bank Act.

An Act respecting the Inspection and Grading of Hay and Straw.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1934.

The Right Hon. the Deputy of the Governor General was pleased to retire.

The House of Commons withdrew.

The sitting of the Senate was resumed.

THE TARIFF SITUATION

INQUIRY

Hon. Mr. DANDURAND: I do not know whether I am quite in order in putting a question to the right honourable gentleman at this stage. I have read in the press recently that the President of the United States had suggested a "tariff truce" with the world. I have sought in vain the text of that proposal, and although I read that it is being discussed in some of the parliaments of Europe, I must confess that I do not know exactly what the expression means. Probably the right honourable the Prime Minister, who was in Washington, has brought back a clear definition of the phrase. Does it mean that the tariffs of all countries should be neither raised nor lowered, but should remain as they are, and that no treaty arrangements or reciprocity agreements should be entered into? Such a proposal is all the more surprising in that it comes from the head of a country that raised its tariffs to such an extent as to bring about, largely, the situation from which we are suffering. I may be dull, but I have yet to learn exactly what the term "tariff truce" means as used by President Roosevelt. Perhaps the right honourable gentleman can give us some light on the subject.

Right Hon. Mr. MEIGHEN: In respect of matters international I occupy the position of a very minor planet, and cannot throw much light. Indeed, I resemble the moon, in that the light I cast is only a reflected light.

Right Hon. Mr. GRAHAM: And at night at that.

Right Hon. Mr. MEIGHEN: The Prime Minister has not made any report, so far as I have observed, of the result of his conference in Washington, and certainly it would be inappropriate for me to venture even to suggest what the report might be. I know nothing of the intent of the President of the United States, nor of the inference or meaning to be taken from the words, "tariff truce." I hope, with the honourable gentleman (Hon. Mr. Dandurand), that they do not mean an indefinite maintenance of the status quo.

Right Hon. Mr. GRAHAM: I think he confined it to the coming conference.

Right Hon. Mr. MEIGHEN: Until the conference.

Right Hon. Mr. GRAHAM: Until the coming conference.

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

THE SENATE

Wednesday, May 10, 1933.

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

Prayers and routine proceedings.

COMMITTEES OF THE SENATE STATEMENT

Hon. LAWRENCE A. WILSON: Honourable senators, yesterday afternoon the honourable leader of the Liberal Party in this House (Hon. Mr. Dandurand) was kind enough to explain the reason why I had not been nominated for membership in some of our standing committees. I appreciate his kind reference to myself, and accept unreservedly the explanation he was good enough to make. I hope to have the privilege of being counted among the members of this Chamber next session, and to be given an opportunity then to serve upon some of the committees.

CANADIAN NATIONAL-CANADIAN PACIFIC BILL

HOUSE OF COMMONS AMENDMENTS

The Hon. the SPEAKER: Honourable senators, a message has been received from the House of Commons with Bill A, of the Senate, intituled "an Act respecting the Canadian National Railways and to provide for co-operation with the Canadian Pacific Railway System, and for other purposes," with certain amendments to which they desire the concurrence of this House. When shall these amendments be taken into consideration?

Right Hon. Mr. MEIGHEN: To-morrow.

Hon. Mr. DANDURAND: I do not know whether it would be in accordance with the general practice to have the amendments read now, before being placed on the Order Paper for consideration to-morrow. Of course, we might dispense with the reading of the amendments.

Right Hon. Mr. MEIGHEN.

Hon. Mr. CASGRAIN: But the Bill is not before the House yet.

The Hon. the SPEAKER: It is a Bill of the Senate.

Hon. Mr. DANDURAND: If the amendments are numerous we may as well dispense with the reading of them.

Right Hon. Mr. MEIGHEN: Perhaps it would contribute to a better understanding of the amendments that I should make a few comments on them now.

Hon. Mr. DANDURAND: Hear, hear.

Right Hon. Mr. MEIGHEN: The House will recall that the Bill as originally presented was intended to be a statutory incorporation of the report of the Duff Commission. As presented, the Bill was exceedingly brief, and the Committee of this House, on consideration of the measure, found there were no legal mechanisms provided for the due enforcement of the recommendations of the Commission. While the purpose of the Bill first submitted was quite evident, the provisions contained in it were inadequate to effect that purpose. As a consequence, the Committee had the very formidable task of virtually rewriting the Bill. After some weeks of consideration, practically all of which was in committee, there emerged a Bill which was at least twice as long as the one originally introduced, and in which not one of the original clauses remained intact. All that remained of it was the clear and definite purpose of implementing the Duff Report. The Bill as reported to this House was an efficiently machined, well planned and well executed measure. I think the Senate may congratulate itself on the fact that after long weeks of debate in the other Chamber, where, if my memory is correct, the Bill was not submitted to a standing or special committee, it has been returned to us without substantial alteration in any respect. Every clause of the Bill that went to the other House remains. There are amendments, it is true, but they are very few in number and not of serious import. Certain changes which appear to be the result of long and laborious efforts have exactly the same effect as would have been achieved by printing the Bill in white instead of in black.

I shall review the House of Commons amendments very briefly, one by one. The first amendment simply substitutes "1933," for "1932," so that section 1 reads:

This Act may be cited as The Canadian National-Canadian Pacific Act, 1933.

The Bill was introduced in 1932, and consequently bore that date. As it is now 1933, this change is necessary.

The second amendment adds to the list of Acts specifically mentioned as not being repealed in any sense by this measure the Industrial Disputes Investigation Act. That Act would not have been repealed, nor would its integrity have been threatened in the slightest degree, if this amendment had not been introduced.

In subsection 2 of section 2 of the Bill a new clause is inserted which reads:

Notwithstanding anything in this Act or in any other Act any railway company may abandon the operation of any line of railway with the approval of the Board of Railway Commissioners for Canada, and no railway company shall abandon the operation of any line of railway without such approval.

I would not go so far as to say that this does not alter the law, but for practical purposes it does not, because the Bill as it came from the Senate Committee made abandonment impossible except with the approval of the Chairman of the Board, who was Chairman of the Tribunal. The Board is now substituted for the Chairman of the Board; but inasmuch as the Chairman of the Board, under the present Act, can give the decision of the Board, the difference is microscopic.

The next change consists of the reduction, in two places, of the capital A in "Arbital," to a small a.

A change is made in subsection 2 of section 4, in Part I of the Bill. The old subsection respecting the Chairman of the Trustees said:

He shall devote his whole time to performance of the duties of his office and shall not be an officer of any company other than a company which is comprised in National Railways, and shall not during his tenure of office as Trustee become a director of any company other than a company which is comprised in National Railways of which he was not a director at the time of his appointment.

This clause now reads as follows:

One of such Trustees shall be their Chairman. He shall devote his whole time to performance of the duties of his office and shall not be an officer nor after his appointment as trustee become, otherwise than by re-election, a director of any company other than a company which is comprised in National Railways.

The effect of this clause is just the same as that of the old clause. I freely concede that this is an improvement in the phraseology: it is a neater and better wording; furthermore, it is clearer.

A third subsection is added to section 4:

The Trustees, other than the chairman, first appointed under the provisions of this Act, shall from time to time during the terms of their first appointments devote to performance of the

duties of their office their whole or part time as may be determined from time to time by the Governor in Council, and the salaries to be paid to such trustees for whole and/or part time service shall be fixed at the time of their appointments.

This is new. Under the Bill as it left this House the Chairman of the Trustees was the only one who was required to devote full time to the performance of his duties. By this clause the Governor in Council will have power to require the other two trustees to devote full time to the work, if it is thought advisable. I make no comment on this clause; I leave it to the judgment of the House.

In section 8 a change is made with respect to a feature which gave us some difficulty in the Committee, as honourable members who were on the Committee will recall. This section makes the Act applicable to those elements of the National Railways which have been incorporated not by the Dominion, but by a provincial or other authority, and which would not, without some such provision as is made here, be within the purview of the Act. The Committee worked out a mechanism for enabling the controlling organization under the Act to apply this new legislation to such companies, and this mechanism is adopted entirely in the amendment, which is better phrased than was the original section. The mechanism our Committee adopted was to provide that the works of any such companies "are hereby declared to be works for the general advantage of Canada, and every such company is, by force of this Act, re-incorporated" as a Dominion company. The section has been divided into two parts, and the phraseology improved, in this way:

8. (1) The works of every incorporated company in Canada which is comprised in National Railways but is not incorporated by or under the law of the Dominion of Canada and which have not heretofore been declared to be works for the general advantage of Canada, are hereby declared to be works for the general advantage of Canada.

(2) By force of this Act, and without more, the now shareholders of every company in Canada comprised in National Railways, the works of which have been or are hereby declared to be works for the general advantage of Canada, are hereby incorporated, and such incorporated company shall have the same name, directors and undertaking as the first mentioned company, and may and shall act in succession thereto and continuity thereof as respects all its affairs by, under and subject to the provisions of this Act.

Hon. Mr. CASGRAIN: I hesitate to interrupt, but perhaps the right honourable gentleman will be patient with one who is not familiar with the legal effects of this section. May I ask whether the result of the section would not be to take such companies as are

referred to away from provincial jurisdiction? If this is the effect, there are no doubt good reasons for desiring it.

Right Hon. Mr. MEIGHEN: The section takes the works of the companies away from provincial jurisdiction. When this Parliament declares the works of a company to be for the general advantage of Canada it thereby obtains jurisdiction over the works, but not over the company. But in our Committee we went farther, and in order to reach our goal we provided that such companies should be by force of this Act re-incorporated as Dominion companies.

Hon. Mr. CASGRAIN: That takes them away from provincial jurisdiction.

Right Hon. Mr. MEIGHEN: It at least brings them within Dominion jurisdiction for the purposes of this Act. And this is the procedure approved by the other House and stated in the amendments in language which is, I think, more comprehensive, if not more felicitous, than that used in the original section.

Hon. Mr. DANDURAND: Of course, all the stock of these various companies, whether or not they are incorporated under provincial laws, is held by the Canadian National Railways?

Right Hon. Mr. MEIGHEN: Yes, or by a company which is held by the National Railways.

The next amendment is to subsection 6 of section 9. The original subsection read:

(6) No order, regulation, by-law, act, decision or proceeding of the Trustees shall require the approval of His Majesty or that of any other shareholder of any company to which this section applies.

The amended section reads simply:

(6) No order, regulation, by-law, act, decision or proceeding of the Trustees shall require the approval of the shareholders of any company to which this section applies.

I do not know why it was thought worth while to leave out "His Majesty," which words of course mean His Majesty as represented by the Government of Canada. However, I think the Act will not suffer appreciably as a result of this deletion.

In section 12 there are some changes. The original section provided that "amounts required for income deficits, for interest on obligations, for capital expenditures and for refunding or retirement of maturing securities shall be submitted by the Trustees to the Minister of Finance for the consideration of the Governor in Council prior to presentation to Parliament." The amendment says that

Hon. Mr. CASGRAIN.

estimates of such amounts shall be submitted. Of course, that is what would be done, in accordance with the usual procedure. I think the amendment is more accurate in its expression, but there is no change in the intent. The amended section reads:

Estimates of the amounts required . . . shall be submitted by the Trustees to the Minister of Finance for the consideration and approval or disapproval in whole or in part of the Governor in Council and thereafter presented to Parliament.

We can all feel quite satisfied that the effect of the amended section is in reality the same as that of the original.

There has been a slight amendment to section 13. This section provides that a continuous audit of the accounts of the National Railways shall be made by independent auditors appointed annually by Parliament, and the amended section reads that the auditors shall be appointed by a resolution of Parliament. Of course, everyone understood that the auditors would be appointed by resolution and not by a Bill. I have no objection to the amendment, for I cannot see that it makes any difference whatsoever to the measure.

Hon. Mr. CASGRAIN: If it were intended to pay the auditors, there would have to be a resolution.

Right Hon. Mr. MEIGHEN: Section 16, in Part II of the Bill, is one to which I know the honourable senator from Parkdale (Hon. Mr. Murdock) attaches some importance. It directs the National Company and the Pacific Company to agree upon such co-operative measures, plans and arrangements as are fair and reasonable. The second sentence of subsection 1 further directed that whenever the companies "so agree they shall endeavour to provide as part of such measure, plan or arrangement or otherwise, for a fair and reasonable apportionment as between the employees of National Railways and Pacific Railways, respectively, of such employment as may be incident to the operation of such measure, plan or arrangement." This is amended by the insertion, after the word "provide," of the following words: "through negotiations with the representatives of the employees affected."

I will make no comment upon this at present. The change has no very definite legal effect and is merely an indication of the desire of Parliament. The matter will probably be referred to by the honourable senator from Parkdale, who will be here tomorrow.

The section has also been amended by the addition of the following as subsection 3:

(3) The National Company and the Pacific Company for and on behalf as aforesaid are directed to endeavour to provide that any new company, created as in subsection two of this section referred to, shall give preference for work to employees in any services or on any works taken over by such new company.

This merely carries out the spirit of subsection 1 as approved of by our own Committee.

The following new subsection is also added, as subsection 5:

(5) Where the execution or carrying out of such a measure, plan or arrangement involves the doing of any act which by any statute requires the leave, sanction, assent or approval of the Board of Railway Commissioners for Canada, no such measure, plan or arrangement shall be effective without the approval of the said Board.

As honourable members will see at a glance, there is no substantial alteration here, inasmuch as under the Bill as it stood anything that heretofore required the approval of the Board could not be done save with the distinct approval of the Chairman of the Tribunal, who was also the Chairman of the Board. I should prefer the clause without this amendment, as probably being smoother in operation and less cumbersome, but I do not see anything especially objectionable in the change, if indeed it can be called a change.

An addition is made to section 18. This clause enables two additional members to be appointed to the Tribunal when the companies consider that the matter in dispute is of such importance as to warrant a larger Tribunal. As the Bill passed this House the clause read, in part:

At the request of either the National Company or the Pacific Company, or both, the President of the Exchequer Court of Canada may, upon it being made to appear to him that the dispute is one of sufficient importance, appoint two additional members for its disposition.

The amendment provides that in the event of the President of the Exchequer Court acting as Chief Commissioner, a Supreme Court judge may make the order for the appointment of the two additional members of the Tribunal. It is a useful amendment. While not likely to be ever necessary, still it is far better to have it in the Bill.

Section 23 is amended. I shall indicate the amendments as I read the clause:

Where the execution of any order, or the carrying out of a decision of a Tribunal, involves the doing of any act which by any statute requires the leave, sanction, assent or approval of the Board of Railway Commissioners, or where in the opinion of the presiding officer—

This is new:

—of a Tribunal composed of not more than three members—

Then follows the wording of the old clause:

—the public interests involved are of sufficient importance to warrant it, no order made by a Tribunal shall be operative without the concurrence of the presiding officer and his formal written assent,—

And then these words have been added:

—and on such concurrence and assent having been given, no such leave, sanction, assent or approval of the said Board will be required.

It will be seen that under the clause as it passed this Chamber power was vested in the Chairman of the Tribunal, that is, the Chairman of the Board of Railway Commissioners, to refuse to implement the judgment of a majority against him if in his opinion the public interests involved were of such importance or of such a character as those which ordinarily came within the jurisdiction of the Board of Railway Commissioners. Under the clause as amended he can exercise this power only when the Tribunal is composed of not more than three members.

The only other amendment appears as Part IV, containing these two clauses:

27. Nothing in this Act shall be deemed to authorize the amalgamation of any railway company which is comprised in National Railways with any railway company which is comprised in Pacific Railways nor to authorize the unified management and control of the railway system which forms part of National Railways with the railway system which forms part of Pacific Railways.

28. This Act shall come into force on the first day of July, 1933.

Of course, section 28 was in Part III as passed by this House. As to section 27, nothing in the Bill authorized the amalgamation of any two companies, but I see no objection to yielding to the much-expressed fear of many persons that there was some hidden danger, some lion lurking behind the wood-pile. Consequently I offer no objection to what is clearly intended, and what I thought was very plain in the original measure.

I have now reviewed all the amendments made to the Bill by the other House.

Hon. Mr. CASGRAIN: The right honourable gentleman said he was going to explain only those amendments that altered the Bill. From his statement it would appear that there is no alteration.

Right Hon. Mr. MEIGHEN: There is no substantial alteration. Where there is an alteration in detail, it is not important.

Hon. Mr. ROBINSON: Section 6.

Right Hon. Mr. MEIGHEN: I regret that I overlooked this section. Section 6 is altered

in a manner which has some importance, although not very great. The term of the Chairman of the Trustees was fixed at seven years, and that of each of the other original trustees at a lesser period, the dates of the expiration of their respective terms of office being staggered. The amendment provides that the Chairman shall be appointed for five years, and each of the other original trustees for a term of less than five years and of different duration from the term of his co-trustee. In other words, the amendment substitutes five years for seven.

Hon. Mr. CASGRAIN: Suppose they all die at the same time?

Right Hon. Mr. MEIGHEN: That was taken care of in the measure as it went from this House. The system of staggering the expiration of the trustees' respective terms will be continued. If I were asked to express an opinion, I would rather have the term seven years than five. It is the recommendation of the Royal Commission, and it does not appear to me to be too long a term in the contemplation of the man who is asked to address himself to the very formidable task which confronts anyone accepting the responsibility of a Trustee. But in the other House there was a great deal of discussion, which resulted in the reduction of this term, and I would not recommend that we resist the amendment.

Hon. Mr. DANDURAND: As I recall, a clause in the original draft prohibited the two railways from amalgamating. I do not know how it came about that we dropped it in committee. Of course, like my right honourable friend (Right Hon. Mr. Meighen), I feel that where an Act contains no authorization to do a thing, such authorization is not implied. So the amendment reinstating the original clause may well be accepted, although it does not add very much to the effectiveness of the Bill.

Right Hon. Mr. MEIGHEN: I quite agree with my honourable friend. Possibly I have omitted something in the amended Bill. If so, I shall deal with it when the amendments come up for consideration to-morrow.

Hon. Mr. COPP: Do I understand that the panel system of filling vacancies remains?

Right Hon. Mr. MEIGHEN: I understand the panel system is changed, but I did not observe the change as I went through the measure. I will go into it carefully to-morrow.

Right Hon. Mr. MEIGHEN.

INDIAN BILL

FIRST READING

Bill 21, an Act to amend the Indian Act.—
Right Hon. Mr. Meighen.

CRIMINAL CODE BILL

FIRST READING

Bill 71, an Act to amend the Criminal Code.—
Right Hon. Mr. Meighen.

EXTRA-TERRITORIAL BILL

FIRST READING

Bill 74, an Act respecting Extra-territorial Operation of Acts of the Parliament of Canada.—Right Hon. Mr. Meighen.

CANADA-NEW ZEALAND TRADE AGREEMENT BILL

FIRST READING

Bill 97, an Act to authorize the Governor in Council to agree to extend by proclamation the duration of the Trade Agreement made between Canada and New Zealand, dated the twenty-third day of April, one thousand nine hundred and thirty-two, as approved by chapter thirty-four of the Statutes of 1932, entitled An Act respecting a certain Trade Agreement between Canada and New Zealand.—Right Hon. Mr. Meighen.

TRADE AGREEMENT WITH FRANCE

INQUIRY

Before the Orders of the Day:

Hon. R. DANDURAND: Honourable senators, I should like to ask the right honourable leader of the House whether he could give us any information concerning the negotiations that have been in progress between the Government of Canada and the Government of France for a commercial convention to replace the treaty denounced some months ago. I think many persons are anxious to know whether the negotiations have reached such a point that the convention will be laid before Parliament for ratification during the present session.

Right Hon. Mr. MEIGHEN: I am glad the honourable gentleman has mentioned the subject. Not that I am prepared to say anything about it, except this: I do know the state of the negotiations to which he refers, but I do not feel authorized to make a statement to-day. I will give consideration to his request and will bring the subject up to-morrow.

CUSTOMS BILL
SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 30, an Act to amend the Customs Act.

Hon. Mr. DANDURAND: Will the right honourable gentleman explain?

Right Hon. Mr. MEIGHEN: The Bill does not involve any change of principle. It simply makes adjustments in conformity with new laws which have been passed otherwise than by amendment to the Customs Act. I would suggest that the Bill be taken up in Committee to-morrow, when I shall explain it fully.

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

CANADIAN NATIONAL RAILWAYS
FINANCING BILL
SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 73, an Act respecting the Canadian National Railways and to authorize the provision of moneys to meet expenditures made and indebtedness incurred during the calendar year 1933 and to authorize His Majesty to make loans and advances to the Canadian National Railway Company.

He said: This is what I may term an all too usual Bill. It corresponds with measures passed in other sessions to permit of the financing of the Canadian National Railways along the usual lines.

Hon. Mr. DANDURAND: I see that the amount asked for is somewhat smaller than that required last session to cover the deficit on operation, if I am not mistaken, as well as for loans, refunding and capital expenditures. I hope that the financial requirements of the National Railways will continue to diminish from year to year, especially when the system begins to operate under the amended Bill which has now come before us for consideration.

Right Hon. Mr. MEIGHEN: The amount is less. I think the Minister of Railways is to be heartily congratulated on the insistence with which he has directed the reduction of these expenditures, having regard to the necessary demands upon the treasury.

It seems to me that at this point the House, having put itself on record last fall by passing a resolution requesting the early working out of joint arrangements between the two railway systems, is entitled to be told what has been done, and ought to express to the respective managements its appreciation of the

manner in which they have addressed themselves to the task. Honourable members know of the pooling arrangements in passenger traffic which are in effect in this district, and which in their simplicity and sanity must appeal to everyone. We may well wonder why such steps were not taken much earlier by those in charge of the two railway systems. At all events they have set to work to carry out the clearly expressed desire of the Senate, and have achieved some real results.

Hon. WALTER E. FOSTER: Honourable members, this Bill provides an excellent opportunity for anyone who is desirous of discussing the general railway situation in Canada. However, as I have already expressed in this House and before various public bodies my opinion with regard to a situation that looms very large in the public eye of this country, and as I have stated what I thought would ultimately have to be done in order to remedy that situation, it is not my intention to enter upon a general discussion this afternoon. I should like, however, to point out that this Bill provides for financing to the extent of \$60,000,000 odd, some \$13,000,000 of which is to be obtained in one way, and \$47,000,000 or \$48,000,000 in another. The \$48,000,000 is to be applied on account of the net income deficits, including profit and loss, but not including interest on Dominion Government advances. Honourable members will readily see that the \$60,000,000 involved in this Bill does not take into account interest on loans from the Government.

I speak of this matter in the hope that there may be spread not only in the press, but also upon our national records, and, indeed, upon the dead walls of the country, if that be possible, a statement of the amount involved in this Bill. I must say that since I have been a member of this House I have been impressed with the fact that Bills of this nature, which come before this House from year to year, are passed in a formal way without very much discussion or comment. I think it is well that we should mention such matters as frequently as possible, in order to impress upon the minds of the people of this country the fact that such legislation in aid of our railways involves a matter of \$200,000 a day, or a sum equal to about \$25 per annum for every family in Canada.

We have had returned to us to-day from the other Chamber the Railway Bill, so-called, which was passed by this House. I can only express the hope that the effect of that Bill will be to decrease materially the amount that we may be asked to vote another year. We should endeavour to wipe out the deficits of the railway, to restore dividends and to

reduce freight rates to a level more in keeping with the present value of our commodities. I realize that such things cannot be accomplished within a year, and I seriously doubt whether the Bill that has just been returned to us is going to produce the results expected from it. Nevertheless, I think that the things I have mentioned should be the ultimate aim of our railway legislation, and I only hope that a year from now, when we are considering a Bill similar to the one now before us, the amount required will be very substantially reduced.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

Hon. Mr. DANDURAND: As we cannot amend this Bill, and as we must meet our obligations, I have no objection to the Bill being read the third time now.

Right Hon. Mr. MEIGHEN: It should be pointed out in this connection, honourable gentlemen, that the Bill authorizes loans to the company and that the moneys to be provided—represented by deficits and maturities, and, in very small part, by capital expenditures—will consequently form part of and will at once appear in the national debt of this country. It is lamentable that the practice of including such loans in the national debt was ever departed from. The omission has resulted in the people of this country being lulled into a false sense of security, imagining that their debt was not growing, when, in reality, under the guise of endorsements of bonds of the National Railways, which were just as much a part of the debt of this country as any other obligation, the debt was being added to at the rate of \$100,000,000 a year. I feel free to say that one of the essential recommendations of the Duff Report is that when obligations of this kind are incurred there should be blazoned across the sky a reflection of their effect upon the national debt of our Dominion.

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

COMPANIES' CREDITORS ARRANGEMENT BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 77, an Act to facilitate Compromises and Arrangements between Companies and their Creditors.

He said: Honourable senators, the purpose of this Bill is to enable companies which

Hon. Mr. FOSTER.

otherwise would be confronted with bankruptcy to arrange compromises by means of conferences among their various classes of security holders. It provides that any class of security holders may, by a vote which indicates an overwhelming view, surrender their rights in the common interest. There has been no provision for this process in Canadian law. The depression has brought almost innumerable companies to the pass where some such arrangement is necessary in the interest of the company itself, in the interest of its employees—because the bankruptcy of the company would throw the employees on the street—and in the interest of the security holders, who may decide that it is much better to make some sacrifice than run the risk of losing all in the general debacle of bankruptcy. In England there have been for many years most effective measures to accomplish the same end. In Canada we have depended on the bankruptcy law. Under the federal system we encounter difficulties that are not met with in England. The law now submitted to us could be made vastly more effective if it were not for the federal system. As it is, the best result can be attained only by the passage by our legislatures of such co-operative measures as will enable civil rights, and companies within their purview, to be interfered with for the general advantage.

I move the second reading of the Bill on the understanding that it will be referred to the Committee on Banking and Commerce.

Hon. RAOUL DANDURAND: I am glad to hear my right honourable friend say that the Bill is to be sent to the Committee on Banking and Commerce, because we may have the benefit of the presence of the representative of the department who prepared this Bill for the House of Commons.

As a result of the default of many companies and a laxity in looking after the interests of security holders and shareholders in general, there has been considerable uneasiness throughout the country. I have been wondering whether under such a Bill as this the Department of the Secretary of State could not demand representation at these meetings in order that someone might be present to look after the interests of those who cannot be there to protect themselves. It is evident that such security holders are absolutely helpless, because of the limited interest of each. A person may have an interest of a thousand dollars, five thousand dollars, or more, in jeopardy. He has then to consider the advisability of taking counsel or of

appointing an attorney to protect his interest. Arrangements are very often made by a few parties who secure proxies, the result being that the creditors generally feel that their interests have been neglected. In some countries of Europe, even though the interpretation of the civil law may be all that is involved, the public prosecutor is always on hand on such occasions. Frequently vast interests are concerned, but the people who have bought the securities are widely scattered throughout the land. Of course, a trustee has certain obligations resting upon him, but he must yield to the desires expressed by the security holders who dominate the situation. It might be well to submit this phase of the question to the representative of the Department of the Secretary of State when he appears before the Banking and Commerce Committee, in order to learn whether some instrument cannot be forged to remove the feeling on the part of certain interests that they have been sacrificed in the liquidation.

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

RAILWAY BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 80, an Act to amend the Railway Act.

He said: Honourable gentlemen, I see no reason why this Bill should not receive the second and third readings to-day. It is a very simple measure. It merely provides that no part of a railway may be abandoned without the approval of the Railway Board.

Hon. Mr. DANDURAND: It is practically a consequential measure.

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. CASGRAIN: I have no objection to the Bill, but the right honourable gentleman has just said that this was provided for in the other Bill.

Right Hon. Mr. MEIGHEN: No. In the other Bill it is provided that under that Bill there cannot be abandonment without the approval of the Railway Board. I must say that I am not very clear as to the necessity of this Bill, but I know it is absolutely harmless.

Hon. Mr. CASGRAIN: It is like a plaster on a wooden leg.

Hon. Mr. DANDURAND: I realize, of course, that we are limiting the powers of a private company, which otherwise could pro-

ceed to abandon lines or parts of lines without appearing before the Railway Board.

Hon. Mr. CASGRAIN: It could not do that. A railway company cannot abandon a line without the consent of the Railway Board.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

EXCISE BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 94, an Act to amend the Excise Act.

He said: Honourable members, I am prepared to give any necessary explanations of this Bill, but I think they should be given in Committee of the Whole.

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

CONSIDERED IN COMMITTEE

On motion of Right Hon. Mr. Meighen, the Senate went into Committee on the Bill.

Hon. Mr. Beaubien in the Chair.

On section 1—trial of offender:

Right Hon. Mr. MEIGHEN: The effect of this is merely to bring the law into accord with the statute of 1928 which abolished the special jurisdiction of county court judges in excise cases. Inasmuch as these judges no longer have the jurisdiction, the Excise Act should be amended to exclude them from the tribunals before which offenders under the Excise Act may come.

Section 1 was agreed to.

On section 2—penalties belong to Consolidated Revenue Fund:

Right Hon. Mr. MEIGHEN: The only change here is to provide that penalties may be paid to the Commissioner of the Royal Canadian Mounted Police or to any officer commanding a division of that force, instead of, as formerly, to the Customs-Excise Preventive Service, which has been abolished. All such penalties will of course be transmitted to the Consolidated Revenue Fund.

Section 2 was agreed to.

On section 3—licences to distillers:

Right Hon. Mr. MEIGHEN: This section fixes the amount of the guarantee bond required from a licensed distillery. A schedule of amounts is given, in keeping with the huge productive capacities of the modern companies. The number of companies is now comparatively small, but they produce on a large scale.

Section 3 was agreed to.

On section 4—excise duties on spirits:

Right Hon. Mr. MEIGHEN: The explanations of this amendment as given on the opposite page of the Bill are clear. The purpose of the amendment is the adoption of a new system for the assessing of duties on spirits used in bond for manufacturing purposes, to conform to the amendments made at the last session of Parliament with regard to duties on potable spirits. The sliding scale method has been discontinued in favour of a flat rate of \$7. The differential rates are abolished and a flat rate of \$2.50 per gallon strength of proof is imposed. The amendment has to do more or less with matters of detail, and is designed for the more simple operation of the law, as well as the collection of greater revenue.

Hon. Mr. DANDURAND: It will result in increasing the revenue?

Right Hon. Mr. MEIGHEN: I think so.

Hon. Mr. CASGRAIN: The \$7 a gallon will of course be upon the actual quantity measure, and not upon the weight. Proof is 58 per cent alcohol and 42 per cent water, and there is an extra duty on any percentage of alcohol above 58. For instance, the Liquor Commission of Quebec sells over-proof whisky, 65 per cent alcohol. If the import duty were \$10 a gallon for proof, it would be \$16 for this whisky of 65 per cent.

Right Hon. Mr. MEIGHEN: I always defer to the honourable member in such matters.

Section 4 was agreed to.

On section 5—excise duty on spirits used by druggists:

Right Hon. Mr. MEIGHEN: This amendment is merely consequential upon section 4.

Section 5 was agreed to.

On section 6—abatment on spirits re-warehoused:

Right Hon. Mr. MEIGHEN: This is also consequential upon section 4.

Section 6 was agreed to.

Right Hon. Mr. MEIGHEN.

On section 7—regulations:

Right Hon. Mr. MEIGHEN: This amendment is consequential upon sections 4 and 6. Provision is made, in conformity with the British practice, for abatment on spirits lost through evaporation in warehouse. In respect of any deficiency occurring through the process of vatting, blending, racking or reducing, the abatment in duty is not to exceed one per cent of the quantity of spirits taken for such purposes.

Hon. Mr. CASGRAIN: Does not the extent of evaporation depend upon the class of containers used? If the spirits are kept in copper tanks there is no evaporation.

Hon. Mr. GILLIS: There is always evaporation.

Right Hon. Mr. MEIGHEN: The abatment of duty is limited as I have stated.

Section 7 was agreed to.

On section 8—bottling spirits in bond:

Right Hon. Mr. MEIGHEN: This amendment is to comply with a contention that has been long and frequently advanced by persons interested, namely, that some allowance should be made to cover losses occurring through the bottling of spirits. It appears that under the British Excise Act the distillers in the United Kingdom are given an allowance up to 2 per cent to cover such losses. Hitherto in Canada allowances have been made to distillers by Order in Council, and it is now proposed to make this concession statutory.

Section 8 was agreed to.

On section 9—least quantity removable in one cask:

Right Hon. Mr. MEIGHEN: This permits pharmacists and others to remove a minimum of five gallons of spirits from a distillery at any time. Hitherto the minimum was ten gallons, and it appears that this quantity was too large, a licensed druggist being permitted to use only five gallons a month.

Section 9 was agreed to.

On section 10—exercising any business of distilling without licence:

Right Hon. Mr. MEIGHEN: The purpose of this amendment is to moderate some of the very severe penalties that have been imposed. In some cases these penalties were so great as to have the result that the right honourable senator from Eganville (Right Hon. Mr. Graham) has often warned us against, namely, of defeating the purposes of the law. At present the minimum punish-

ment for the contravention of this section is a fine of \$200 and one month's imprisonment in addition. The amendment brings the punishments into line with those imposed by the Customs and Excise Acts respectively.

Hon. Mr. CASGRAIN: Why should not the penalties be as severe as possible? Alcohol made by unlicensed persons is very dangerous stuff, some of it as bad as bootleg whiskey. The provincial governments suffer a considerable loss of revenue because of the operations of unlicensed distillers. I think very strong reasons should be given before we are asked to reduce penalties. The law should be made more severe, if possible.

Right Hon. Mr. MEIGHEN: The honourable gentleman does not suggest that the contravening of this section be made a capital offence?

Hon. Mr. CASGRAIN: Poison liquor kills a lot of people.

Right Hon. Mr. MEIGHEN: There are in the north a considerable number of foreigners who make spirits for their own consumption, although they have no licence to do so. This breaking of the law should be prevented if possible, but it seems hard that such offenders should be treated as if they were semi-murderers.

Hon. Mr. CASGRAIN: Well, many of them are.

Right Hon. Mr. MEIGHEN: I am told that usually they make the stuff for their own use only. Many cases have been cited where the penalty was out of proportion to the crime, and the effect was to defeat the purpose of the law.

Hon. Mr. CASGRAIN: Will the right honourable gentleman state a concrete instance where the penalty was out of proportion to the crime?

Right Hon. Mr. MEIGHEN: In a case where a poor fellow has a little still, a hundred miles or so away from any community, and makes some spirits for himself, it would appear that the minimum penalty is too severe.

Hon. Mr. CASGRAIN: But the stuff some of these people make is very dangerous. A variation of one degree from the proper temperature of the still makes the liquor poisonous.

Right Hon. Mr. MEIGHEN: The amendment does not abolish the punishments, but simply brings them into conformity with those

imposed by the Customs and Excise Acts. If honourable members will look at paragraph g, at the bottom of page 5, they will see that the punishments imposable will still be very severe if the amendment is carried. The minimum penalty proposed is \$200 or imprisonment, whereas under the present law the minimum is \$200 plus imprisonment. In some cases the family of the offender might starve if he were imprisoned. I think the alternative penalty is sufficient.

Hon. Mr. DANDURAND: The penalty is very severe for a repeating offender.

Right Hon. Mr. MEIGHEN: Very severe. Section 10 was agreed to.

On section 11—removal of spirits in packages of less than five gallons:

Right Hon. Mr. MEIGHEN: This is consequential upon section 9.

Section 11 was agreed to.

On section 12—penalties for sale of spirits unlawfully manufactured:

Right Hon. Mr. MEIGHEN: The same explanation that I gave of section 10 is applicable here.

Section 12 was agreed to.

The preamble and the title were agreed to. The Bill was reported without amendment.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

DIVORCE BILL

SECOND READING

Hon. Mr. McMEANS moved the second reading of Bill D1, an Act for the relief of Angelo Stavrow.

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

THIRD READING

Hon. Mr. McMEANS moved the third reading of the Bill.

He said: Honourable senators, this is the last Divorce Bill of the session. There is no opposition of any kind to it, and I can see no reason why third reading should be delayed.

The motion was agreed to, on division, and the Bill was read the third time, and passed.

CANADA SHIPPING BILL

REPORT OF COMMITTEE

Hon. F. B. BLACK, Chairman of the Standing Committee on Banking and Commerce, presented the report of that Committee on Bill C1, an Act to amend the Canada Shipping Act.

He said: Honourable members, the Committee made numerous amendments to the Bill. Most honourable members who are present this afternoon heard the discussions on these amendments; so there is no necessity for me to say anything further just now. The full report will of course appear in the Minutes to-morrow.

SENATE AND HOUSE OF COMMONS
BILL

FIRST READING

Right Hon. Mr. MEIGHEN introduced Bill E1, an Act to amend the Act respecting the Senate and House of Commons.

He said: Honourable members, may I be pardoned for introducing this Bill at the present juncture? I did not have it before me at the proper time for its introduction. The measure is very highly regarded by the honourable senator from North York (Hon. Sir Allen Aylesworth), who has taken considerable interest in it, and its object is to protect senators who may have contracts with the Government in respect of Government bonds. Some years ago the Senate and House of Commons Act was amended for the purpose of giving immunity to members of both Houses. The keen mind of the honourable senator from North York is responsible for the discovery that as a matter of legal effect the immunity did not extend to senators.

Hon. Mr. CASGRAIN: What immunity?

Right Hon. Mr. MEIGHEN: Under this Bill a senator will not be disqualified merely because he is the holder of a bond of the Government of Canada. The honourable gentleman will not have to pay a fine of \$200 for every day that he has sat in this Chamber since he became the holder of large quantities of such bonds.

Hon. Mr. CASGRAIN: We learn something every day.

Hon. Mr. DANDURAND: The right honourable gentleman caused the honourable gentleman on my right (Hon. Mr. Casgrain) to tremble.

The Bill was read the first time.

Hon. Mr. McMEANS.

MOTION FOR SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of the Bill.

Hon. Mr. DANDURAND: I would ask my right honourable friend to allow the second reading to be postponed until to-morrow, so that we may have an opportunity of reading the Bill.

Right Hon. Mr. MEIGHEN: All right. The motion stands.

HUDSON BAY TERMINALS

INQUIRY AND DISCUSSION

The Senate resumed from yesterday the debate on the question proposed by Hon. Mr. Casgrain:

To call the attention of the Senate to the cost of development, work and other germane expenditure at Fort Churchill and Port Nelson, and inquire what economies the Government proposes to make in connection with those ports.

Hon. PATRICK BURNS: Honourable senators, in discussing the Hudson Bay route I shall confine myself for the most part to its suitability as an outlet for the shipment of Western cattle to the British market.

From Winnipeg westward our farmers are turning their attention to the feeding of cattle during the winter months for export. The shipping season for grain-fed "export" cattle starts in February and extends to July. This year our cattle shipments started via Saint John in February, and by the first of May we had shipped 10,500 head, 6,700 from Ontario and 3,800 from the West. We expect to ship up to July, through Montreal, about 15,000 additional head of grain-fed cattle, and during the remainder of the season about 15,000 head of grass cattle, nearly all of which come from the West. In 1931 we shipped a total of 28,000 head. During the shipping season of 1932 our total shipments were 17,000 head, 11,000 from Ontario and 6,000 from Western Canada. I am afraid the Hudson Bay route would not be suitable for our winter-fed cattle; but we can take advantage of it for our grass-fed cattle, which we ship from August until the close of navigation.

In order to take advantage of the port of Churchill it would be necessary to induce our shipping companies to send their cattle boats from Montreal and other ports to Churchill. It is pretty expensive to fit boats with cattle stalls, and it would be unreasonable to expect them to make this outlay for a comparatively limited number of shipments. In short, I would say the Hudson Bay route would be

very unsatisfactory until the latter part of the regular cattle-shipping season.

In September, 1931, I travelled over the Hudson Bay Railway to Churchill with the Canadian Board of Trade party. It has a very good road-bed. The captain of a ship then in port took us out into the bay. While we were on this sail he told us the season was short, varying from three to three and one-half months.

I do not agree with my honourable friend from Saskatchewan (Hon. Mr. Gillis) that the railway runs through number one farming country. As an old farmer, I should not care to farm there. We have so much good farm land still available in the older parts of Manitoba, Saskatchewan, Alberta and British Columbia that I think it would be unwise for anyone to take up a homestead along the Hudson Bay Railway at the present time.

However, if later people do settle along the line, the Hudson Bay route will probably come out all right. The elevator at Churchill has a capacity of 2,500,000 bushels, and wheat could be stored there until navigation opens. The railway and the port and terminal facilities are in good condition, but, as I have said, the adjacent country is very poor for farming purposes. As an old timer who has had some opportunity to size up the Western Provinces, I should say that if there is mineral wealth along this line of railway it will help materially in developing Churchill. The trouble to-day is that if vessels come to Churchill for cattle or wheat they have to come empty. What cargo can they bring?

Hon. Mr. GILLIS: Welsh coal.

Hon. Mr. BURNS: We have more extensive deposits of coal in Alberta than in any other section of North America. Twenty-five per cent of the coal deposits of Canada are to be found in Alberta, and the coal is of the finest quality. We in the West have no need for Welsh coal.

Of course, I realize it takes time for any country to develop. I settled in Manitoba fifty-five years ago, when there was very little settlement west of Portage La Prairie. Vancouver as a great national port was unknown. Last year 15,981 ships entered that port. Of this number 1,123 were deep sea ships. When I was at Vancouver in 1885 there were only a few small craft in port. If Churchill should show an equal development, it would be most gratifying to all Canadians.

Hon. Mr. GILLIS: That development is coming.

Hon. Mr. BURNS: I may say to my honourable friend what I should also like, in closing, to say to another honourable member of this Chamber. The senator from Boissevain (Hon. Mr. Schaffner) said yesterday the people of Manitoba had been talking of the Hudson Bay route for fifty years. It is true we all have talked of it for fifty years, but it is a pity that before the Hudson Bay Railway was built we had not talked of it another fifty years.

Hon. L. McMEANS: I hope the honourable gentleman from Calgary (Hon. Mr. Burns) has not left the impression on honourable senators that there is no mineral wealth along the Hudson Bay Railway. After all, the railway is merely an extension northward of the line to The Pas. Beyond The Pas we have to-day one of the largest mining undertakings on the North American continent. It represents an investment of \$22,000,000.

Hon. Mr. CASGRAIN: Flin Flon.

Hon. Mr. McMEANS: Yes, otherwise known as the Hudson Bay Mining Company, and the Sherritt-Gordon mines. The volume of freight over the line that connects with the Hudson Bay Railway is tremendous. The mining industry in that country is in its infancy. Honourable members will recall that the Temiskaming and Northern Ontario Railway was built by the Ontario Government for colonization purposes, and no one ever imagined so much mineral wealth would be taken out of the Cobalt district. The mining development throughout Northern Ontario and Northern Quebec will, I believe, be duplicated in the country served by the Hudson Bay Railway.

I do not know why the honourable gentleman from De Lanaudière (Hon. Mr. Casgrain) should have introduced this motion. All his confrères from Montreal have in effect apologized for him. They have said: "We are in sympathy with the West. We are very glad the road was built, and we are only too anxious to see it made a success." But my honourable friend differs with them: he wants to criticize the Hudson Bay Railway from time to time. I have a very warm regard for him, and I admire his wide range of knowledge, but apparently he cannot let slip any opportunity to condemn the Hudson Bay route. I would remind him that commerce will build a city even though it be located at the North Pole.

I represent Winnipeg. The Hudson Bay Railway will not benefit my city, because the projected road that was to link up Winnipeg

with the Hudson Bay Railway has been virtually abandoned. In the old days it was predicted that all the grain from the Western Provinces and the Northwestern States would be carried over that road. It may be yet.

My honourable friend knows what happened in the early days of Manitoba and the Northwest. The provincial railway charters were disallowed by the Federal Government. The people saw no other means of reducing the excessive freight rates charged by the railway monopoly because of the clause in the Canadian Pacific charter by which the company was practically freed from competition in the territory between its line and the American border. The agitation against this state of affairs reached almost a state of rebellion. Then came the proposal to obtain relief by building an independent outlet to Hudson Bay. That was long before the Panama Canal was opened and wheat for export to Europe began to move through the port of Vancouver. Ultimately the monopoly clause in the Canadian Pacific charter was abrogated and the Northern Pacific was extended into Manitoba. This line was leased by the Canadian Northern Railway Company. It now forms part of the Canadian National System. By an arrangement between the Canadian Northern Railway Company and the Manitoba Government the freight rate was reduced from 25 cents to 10½ cents per hundred pounds. Today, I believe, it is 11 cents.

The Hudson Bay road has been in operation for only a short time, and as yet there has been no opportunity to demonstrate its potentialities. I happened to be present at the time my honourable friend from Calgary (Hon. Mr. Burns) was in Churchill, and it was a revelation to us to find that the port was one of the finest in the world. There is tremendous mineral wealth all through the country served by the Hudson Bay Railway, and although I was not wedded to the proposal, I believe that eventually the development of the Hudson Bay route will justify the expenditure involved.

I cannot congratulate my honourable friend from De Lanaudière on again bringing this question to the attention of the House. I think it would be the part of wisdom for him to refrain from further criticism of the Hudson Bay route, and so avoid any danger of arousing antagonism between the East and the West.

Hon. J. P. B. CASGRAIN: As the mover of the motion I have the privilege of closing the debate.

Hon. Mr. McMEANS.

The Hon. the SPEAKER: The honourable gentleman may do so with the leave of the Senate. It is an inquiry, not a motion.

Hon. Mr. CASGRAIN: There were questions first; then I gave notice that I would call the attention of the Senate to the cost of development work at Fort Churchill, and so on. This converted the inquiry into a motion. I leave it to the Clerk of the House to say whether I am in order or not. I am glad to put His Honour the Speaker right.

Hon. Mr. DANDURAND: I differ with my honourable friend from De Lanaudière (Hon. Mr. Casgrain). A motion calls for a conclusion. There is none involved in this inquiry.

Hon. Mr. CASGRAIN: My notice reads, "That he will call the attention," and so on. That is a motion.

Hon. Mr. DANDURAND: No.

Hon. Mr. CASGRAIN: I hope my honourable friend from Winnipeg (Hon. Mr. McMeans) will allow me to remind him that if the Hudson Bay route develops as he anticipates, it will take business away from Winnipeg.

Hon. Mr. McMEANS: That is what I say.

Hon. Mr. CASGRAIN: "On to the Bay" will mean taking business away from Winnipeg.

Hon. Mr. McMEANS: That is right.

Hon. Mr. CASGRAIN: All the northern part of Saskatchewan and the territory beyond The Pas will be served by the Hudson Bay route. Then the territory tributary to Vancouver is extending eastward all the time. It is a mystery to me how the low rates that have been mentioned are possible. The honourable member from Vancouver (Hon. Mr. McRae) was good enough to ascertain for me the toll on wheat taken through the Panama Canal. It is \$1.25 a ton, or approximately 4 cents a bushel. I have not the reports under my hand, but my recollection is that the rate for shipping wheat from Vancouver to Liverpool is 9 cents. Deducting the canal toll leaves a balance of only 4 or 5 cents for the shipowner. To me this is an extraordinarily low rate.

My good friend asks why I bring up the subject of the Hudson Bay route from time to time. Well, for the last quarter of a century I have discussed it periodically because my hobby is navigation and transportation, and I sincerely believe that the Hudson Bay route

can never be a commercial success. I have been in contact with persons who have visited Churchill—land surveyors and others—and I have discussed with them the nature of the country served by the Hudson Bay Railway. Everybody knows that when that railroad was being built there was a good, solid foundation, because the ground was frozen. It has been frozen ever since the Creator made it. If you make a contour-line with a radius of two hundred miles from Churchill or Nelson—not from James Bay, for that is hundreds of miles south—you will find that there is no vegetation within the area. When d'Iberville and his brother, de Maricourt, went to Hudson Bay they had to carry birch practically two hundred miles to make canoes. They built two canoes. D'Iberville was in one with six men, and his brother was in the other with an equal number, and they took two English frigates, the crews of which were all down with the scurvy. I think the world is getting better all the time, in spite of the League of Nations; for at that time, when they found those people sick with scurvy and unable to defend themselves, they murdered every one of them and threw their bodies overboard. Then they decided that fourteen men, their total number, were not enough to man two ships; so they sank one and put all the furs on board the other and brought to Quebec a cargo worth a king's ransom.

My good friend from Saskatchewan (Hon. Mr. Gillis) said many things. In some matters he agreed with me, for which I thank him. He said I was perfectly right in asserting that Nelson could never be made a port. All would have been well if, long ago, the Government of the day had listened to what was said in this House, instead of spending the \$6,000,000 mentioned in the answer to my inquiry, and referred to by the honourable gentleman (Hon. Mr. Gillis). In my opinion the expenditure was much greater than that. The two dredges which cost \$400,000 each, and one of which was lost, were not included.

The honourable gentleman from Saskatchewan went on to dilate about the almost innumerable acres of good land lying along the line of the Hudson Bay Railway. But you do not have to go there for land. The C.P.R. authorities will tell you that to-day there are over six million acres of land lying adjacent to their railroad and the Canadian National Railways; so why should anyone go almost to the North Pole for land when so vast an area is available nearer home?

Then, even if we did grow all the wheat that has been mentioned, where could we sell it? We are unable to sell what we have now.

Nobody denies that. The grain growers had to come to the Government for assistance. The creation of the Wheat Pool was a great crime. In a paper with which I was connected there was an article published under the heading, "The Wheat Pool Defies Creation." That is just what it did. Our wheat crop is only five per cent of the world's production. How is that five per cent going to control the crop of the whole world? If we could only teach the people of China to eat bread it might help, but only one in ten eats the white man's bread.

The honourable gentleman from Saskatchewan referred to my old friend Senator Ferguson, who sat in this House when I first came here. He was one of the most industrious and painstaking senators we ever had. My leader will remember him quite well. He had been very well educated and studied constantly. In speaking against the Transcontinental Railway he said it was of no use anyhow—that the proper route was through the Hudson Bay, and he gave many facts and much data in order to show that the latitudes of Churchill and Nelson were similar to those of certain places in Europe. Climatic conditions are governed, however, not by latitude, but by the isothermal lines. Away up in the Arctic, north of Norway, it never freezes, because there you have the Gulf Stream. The port of Kola, or Katharina, in northern Russia, is open all the year round, because the Gulf Stream dies there. In an argument I proved that it was the isothermal lines and not the latitude that governed the temperature. For its latitude Ottawa is about the coldest place on earth. On the west coast of Ireland, where our good friend from Hamilton (Hon. Mr. Lynch-Staunton) spends his summers—I believe he is on his way there now—the isothermal lines in January and July are the same as they are in Portugal. So you cannot tell anything about the temperature of a country by its latitude.

I remember that on one occasion when I was talking about the Hudson Bay the late Sir James Loughheed rose in his place and said that honourable members were hearing the annual wail of the Prophet Jeremiah, and he made a speech similar to that of the honourable gentleman from Saskatchewan. He referred to the mines, and so on. Well, it is true that there is the Flin Flon Mine, but to get to it they had to build a railway one hundred and thirty miles long.

The port of Churchill is all right once you get into it, but if a north wind were blowing no prudent captain would ever attempt to approach it, much less to enter it, because there is a clear sweep of eight hundred and fifty or nine hundred miles. As honourable

gentlemen will remember, the coast of Hudson Bay runs almost north and south and the estuary of the Churchill river from west to east. A ship trying to enter the harbour would have to moderate her speed. Her leeway would then be increased, and she might very easily drift on to the bank, which would mean the loss of the ship. I have met navigators who have been up there, and I have listened intently to what they had to say. I have also lectured on the subject. When I have done this, for fear there might not be anybody else present, I have brought members of my own family along, telling them they could leave when they chose. They have told me afterwards that they actually became so interested that they remained to the end.

I am sincere when I say I am convinced that the Government should not spend any more money on this project, and in saying it I think I am only doing my duty. It is an unpleasant thing to have to say. It is strange that people whom you will hear say, outside of this House, that the Hudson Bay route is a crazy idea, are afraid to say it publicly. Why should we not say what we think? That is what we are paid for. If honourable gentlemen hear what I hear about the League of Nations, why do they not get up in the Senate and say so? Oh! that is a different thing. I believe that everybody should speak his mind: what he has to say may be worth while.

I wish to thank also the honourable senator from Boissevain (Hon. Mr. Schaffner). He is a good friend of mine. He calls me an expert. That is very pleasing, you know, for sometimes we are not treated in that manner. He thinks, however, that I have not enhanced my reputation by taking the ground that I have taken. Well, he is on the other side of the question. If I were on his side he would say I had made a fine speech.

I do not know that I can add very much to what I have already said. It is contended that the distance to Europe from Fort Churchill is much less than the distance from Montreal. That may be true, but ships from Churchill have to go through the Hudson Strait, which I tried to describe the other day. Here you see an iceberg approaching. Your ship is in the surface ice, and your rudder is of no use, because any piece of ice of sizable dimensions is much bigger than your rudder. The ship cannot move; she must have headway before she will answer the rudder. For four or five miles you can hear the iceberg approaching. What the best navigators try to do is to get into soft ice, because there is a chance that the iceberg will force the soft

Hon. Mr. CASGRAIN.

ice against the vessel and push her out of the way. If that does not happen you are finished.

Do you think it was for fun that the Hudson's Bay Company built a ship like the *Nascopie*, with sides an inch and a quarter thick, and iron bracing inside, and shaped so that the crowding of the ice would simply lift her instead of crushing her? Do you think it is for fun that she carries three propellers every summer? When one is broken the vessel waits till low tide to find a spot on the shore where she can be backed up when the tide comes in, so that at low tide the propeller may be changed. Can you imagine an ocean steamer doing that sort of thing? That is not all done for fun. Furthermore, the current changes four times a day, and runs at the rate of nine miles an hour. That is as fast as an ordinary tramp steamer will travel. Fancy ice travelling at that speed. If a ship is caught in the surface ice what is going to happen to her? Frequently the wind is driving the ice in one direction when the current and undertow are moving an iceberg in an opposite direction. How do they build the sealing ships that sail from Newfoundland and spend months in the ice? How do they build the whalers that leave Peter Head, in Scotland? Some of them last as long as a hundred years. They are built of the best of oak and are braced inside, and they are of such a shape that when the ice presses around them they are lifted out of the water on to the ice. If they were built in the same manner as ordinary ocean freighters, with perpendicular sides, they would be crushed. It would be a pity to give a bad name to navigation in Canada by exposing ships to such dangers as I have enumerated.

I want to congratulate our new senator from Calgary (Hon. Mr. Burns). I was very glad to hear him speak as he did, because I thought that if there was one industry that would find the Hudson Bay route of benefit it was the cattle industry. Cattle are always shipped in the summer-time, and the railway haul from Calgary to Churchill is much shorter than the haul to Port Arthur, and it would be cooler. I thought that the Hudson Bay route would be ideal for the shipping of cattle, but the honourable gentleman does not seem to have much confidence in it. As to its possibilities so far as agriculture is concerned, he does not think much of them. And he is a farmer in a large way and keeps many cattle.

Hon. Mr. BURNS: I spoke of the latter part of the season. I said the season was all too short.

Hon. Mr. CASGRAIN: I hope we shall have the advantage of hearing again from a man who has been so successful in business as has been the honourable gentleman from Calgary, and who, like the honourable senator from High River (Hon. Mr. Riley), knows all about cattle. Such gentlemen can tell us much that is useful. I take it that this House is somewhat like a school; we learn something every day. What is the use of getting older if we do not at the same time become wiser?

My honourable friend from Saskatchewan (Hon. Mr. Gillis) spoke of Captain Bernier. I have known Captain Bernier for many years, and I knew his father before him. Of course Captain Bernier has no complaint to make about Hudson Bay navigation. Any man who goes to the North Pole thinks that navigation in Hudson Strait is rather easy. Captain Bernier has spent eight winters in the Arctic regions. He has commanded no less than one hundred and nine ships, of which he lost only one, and that was during the War.

Hon. Mr. GILLIS: A good authority.

Hon. Mr. CASGRAIN: He has been here on more than one occasion, and has explained to some of the members of this House how he discovered a territory reaching almost to the North Pole and annexed it for Canada. Yet he has never received any recognition from this country. He has described to me on more than one occasion his departure on one of those trips to the North. It was in 1908 that our present King, then the Duke of York, happened to be on board the Ophir in the harbour of Quebec. He sent for Captain Bernier and asked him when he was leaving for the North. Captain Bernier replied, "Any time you say, sir." After consultation with the officers of the Ophir, twelve o'clock was set as the time for Captain Bernier's departure. Everybody on the Duke of York's ship was off duty at that hour, and the yards were manned, three cheers were given, the band played Auld Lang Syne, and Captain Bernier and his men were given a great send-off. Our present King, who is a great sailor, actually gave Captain Bernier directions and courses that he used during his voyage. While away he found many coal mines in the lands that he annexed for Canada in those northern latitudes. I really think the Government of this country ought to do something for him, and I appeal to the right honourable leader of this House to see if something cannot be done for this man, who is now over eighty years of age, by way of recognition for what he has done for Canada. He placed our western boundary at the 160th degree of longitude, and the

United States later agreed to that boundary line. I believe that honourable members will agree with me when I say that before Parliament prorogues something should be done for Captain Bernier in recognition of his great services to the country.

Right Hon. Mr. MEIGHEN: I do not intend to discuss the inquiry which the honourable member has made, and has converted into a resolution; I would merely refer to his closing remarks. They really are not pertinent to the inquiry, but I should not feel satisfied if I omitted to endorse what he has said with respect to the services rendered to this country by Captain Bernier, who occupies a unique position in the history of our great northland. His years are now many, but his spirit is strong. He still talks like a youth. It seems to me that Canada owes far more than she has paid him for the wonderful work he has accomplished and the dangers he has faced on behalf of the name and place of this country in the great Arctic sphere. No man has had any experience comparable with his in our northern waters, nor followed a more consistently patriotic course than he. I am not in a position to make any commitment, but no person in this country would be more pleased than I to see Captain Bernier's services fittingly recognized.

Hon. Mr. DANDURAND: I cannot suggest what form of recognition would please Captain Bernier, but perhaps a suggestion could be made by the honourable gentleman from Alma (Hon. Mr. Ballantyne), who is an ex-Minister of Marine. I have heard it said by people in the service of the Merchant Marine of Canada that Captain Bernier should be given a higher title in the service, and that this would greatly please him.

Hon. Mr. McMEANS: Does the honourable gentleman not intend to express himself on the Hudson Bay Railway?

Hon. Mr. DANDURAND: All I can say is that a lot of money has been spent on that railway, and I hope the port of Churchill will continue to develop. I do not know to what extent that development may go, but I have seen so many extraordinary things happen in my lifetime that I am not a pessimist. Who would have expected such a development as there has been at Vancouver in recent years? The Government of which I was a member assumed heavy obligations in connection with the improvement of the facilities at that port, but who imagined that the building of the Panama Canal would have such good results for our Pacific coast? Plans that may at present seem impossible of accomplishment in

Hudson Bay and the straits may be easily transformed into reality within a few years. At any time something may be invented that will eliminate many of the dangers at present attendant upon navigation of the straits.

The West wanted the Hudson Bay route and has got it. I wish success to it. We must think nationally. Although I am from Montreal, I have never felt any pangs of jealousy over the development of the port of Vancouver or Churchill. I hope that the efforts Canada has made towards the building up of the Hudson Bay line will prove to have been not in vain.

Hon. Mr. CASGRAIN: Honourable members, may I be allowed to withdraw the motion? I do not want to press it.

Right Hon. Mr. MEIGHEN: The honourable gentleman should be allowed to withdraw his motion, I think. He might also withdraw his statement that some of the land up in the Hudson Bay district has been frozen since creation. He informed us that there were large coal areas on an island farther north. If he is correct in that, the climate up there must have been warmer at some time in the past than it is now. There may be another climatic change in the future, for what has happened once may happen again.

Hon. Mr. CASGRAIN: Will honourable members permit me to give a brief dissertation on geology? Everyone knows that at first the earth was very hot. We have no proof that the poles were then in their present position, for there was a glacial period and the earth took a tilt. At Rome one can see bulls for the creation of a diocese in Greenland. And I have read in magazines that by looking through ice on Greenland one may observe the remains of huge cathedrals. That indicates what climatic changes can occur.

The Hon. the SPEAKER: There is nothing to be withdrawn.

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

THE SENATE

Thursday, May 11, 1933.

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

Prayers and routine proceedings.

Hon. Mr. DANDURAND.

COMPANIES' CREDITORS ARRANGEMENT BILL

THIRD READING

Bill 77, an Act to facilitate Compromises and Arrangements between Companies and their Creditors.—Right Hon. Mr. Meighen.

CANADIAN AND BRITISH INSURANCE COMPANIES BILL

THIRD READING

Bill B, an Act to amend an Act respecting Canadian and British Insurance Companies.—Hon. Mr. Beaubien.

PRIVATE BILL

THIRD READING

Bill 41, an Act to incorporate the Sarnia-Port Huron Vehicular Tunnel Company.—Hon. Mr. Little.

JUDGES BILL

FIRST READING

Bill 84, an Act to amend the Judges Act.—Right Hon. Mr. Meighen.

CUSTOMS TARIFF BILL

FIRST READING

Bill 93, an Act to amend the Customs Tariff.—Right Hon. Mr. Meighen.

SPECIAL WAR REVENUE BILL

FIRST READING

Bill 95, an Act to amend the Special War Revenue Act.—Right Hon. Mr. Meighen.

INCOME WAR TAX BILL

FIRST READING

Bill 96, an Act to amend the Income War Tax Act.—Right Hon. Mr. Meighen.

POST OFFICE BILL

FIRST READING

Bill 98, an Act to amend the Post Office Act.—Right Hon. Mr. Meighen.

TRADE AGREEMENT WITH FRANCE

INQUIRY

Before the Orders of the Day:

Hon. Mr. DANDURAND: Has the right honourable leader of the House any information to give us concerning the Franco-Canadian trade convention?

Right Hon. Mr. MEIGHEN: Yes. A treaty to implement the arrangement made between France and Canada for a trade convention has been concluded. It will be introduced in the House of Commons to-morrow.

CUSTOMS BILL

CONSIDERED IN COMMITTEE

On motion of Right Hon. Mr. Meighen, the Senate went into Committee on Bill 30, an Act to amend the Customs Act.

Hon. Mr. Copp in the Chair.

On section 1—definition; "value for duty":

Right Hon. Mr. MEIGHEN: Perhaps I had better deal with all the sections while I am on my feet.

As to section 1, in certain cases the penalty apparently depended upon the ad valorem duty of the imported goods, or, as it is stated in the Act, their "value for duty," and magistrates have held that there is no statutory offence where a specific duty is prescribed. It is intended by this section to remedy this defect by defining what "value for duty" means in such cases.

The purpose of section 2 is to permit of heavily laden vessels—for instance, those carrying oil and oil products—lightening their load in order to get through shallow water sufficiently close to the wharf at which the cargo is to be landed, and to provide that this lightening shall not render the owners guilty of an offence under the Customs Act.

Section 3 permits customs officers to board and search vessels while in Canadian territorial waters. Hitherto these officials had power to do so only when, in the words of the statute, the vessels were "hovering"—whatever "hovering" means.

The object of section 4 is to provide for seizure and forfeiture of unmanifested goods. It appears that vessels engaged in smuggling have escaped because of the absence of some such definition. The section also makes the master or person in charge of such vessel guilty of an offence and provides suitable penalties.

That is the substance of the Bill.

Hon. Mr. DANDURAND: I do not pretend to be an expert in customs matters, but I have gone through the Bill and have no criticism to offer.

Section 1 was agreed to.

Sections 2, 3 and 4 were agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

SOLDIER SETTLEMENT BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 45, an Act to amend the Soldier Settlement Act.

He said: Honourable senators, this is a successor of several Bills of a similar kind passed in various years and designed to lighten the load of soldier settlers.

Section 72, which it is proposed to add to the Act, provides that the interest which accrued during the twelve months prior to the standard date, October 1 or November 1, in 1932, shall be remitted, and that any moneys paid in respect of that year shall be applicable to principal.

Section 73 provides, in respect of contracts entered into prior to the 1st of January, 1933, that any soldier who, between the 31st of March, 1933, and the 31st of March, 1936, pays arrears of principal, or any instalment not in arrears, shall be credited not only with the amount so paid, but also with an equal additional amount: he will receive credit for double what he pays during that period. He must, however, have taken care of taxes and insurance. Presumably anything he pays is first applied on interest. Subsection 3 of section 73 sets out the conditions precedent to the extra credit being allowed.

Section 74 provides that neither the remission nor the bonus credit shall apply in the case of debts for which the British Government is responsible, or which are payable to that Government in respect of settlers in Canada, unless the British Government takes appropriate steps to concur in what is being done.

Section 75 releases the lien on the implements upon which a debt is due by the soldier to the Director. Previously the debt was due to the Soldier Settlement Board. Under the conditions set out, although there remains the obligation to pay, the security constituted by the lien no longer exists.

That explanation covers the entire Bill. No doubt, these remissions are granted to the soldier settlers because of the very discouraging times through which they are passing, and the tendency of so many of them to abandon their land.

Right Hon. Mr. GRAHAM: Is there any estimate of the cost of these remissions?

Right Hon. Mr. MEIGHEN: I have not found it. A most exhaustive analysis of the Bill reached me about five minutes before I

came into the Chamber, but in my hurried attempt to go through it I failed to reach anything on that point. The department estimates, I observe, that the interest to be remitted for 1932 will approximate \$2,250,000, and that the collections for the fiscal year 1932-33 will amount to \$750,000. It is estimated that in the doubling of credit for amounts due and paid to the department in the three years of the currency of this amendment there will be a write-off amounting to one and a half million dollars a year. The write-off for prepayment will undoubtedly be a much reduced figure, as many settlers will be unable to do more than pay for the current year. The following figures are submitted as an estimate of the amount of the write-off:

Interest, 1932..	\$2,250,000
Bonus, 1933-34..	1,500,000
Bonus, 1934-35..	1,500,000
Bonus, 1935-36..	1,500,000
One year prepayment.. . . .	500,000
Total..	\$7,250,000

Hon. Mr. DANDURAND: Can the right honourable gentleman tell us the number of men placed on the land, the number who have remained, and the total amount disbursed under this Act?

Right Hon. Mr. MEIGHEN: The data furnished me err on the side of being too voluminous. They would have been very appropriate earlier in the session, when it was not necessary to absorb a dozen Bills in a single day.

Hon. Mr. DANDURAND: I can sympathize with my right honourable friend.

Right Hon. Mr. MEIGHEN: I think I am safe in saying that that information is not here, and I have not read it in the report of the discussion on this Bill in the other House. I have read, however, that the assistance hereby granted was very gratefully accepted by the Soldier Settlers' Union—for they have a union. Not only did they accept it, but the letter of the president indicated that they could scarcely ask for more.

Hon. Mr. GRIESBACH: I suggest that the letter be filed for reference.

Right Hon. Mr. MEIGHEN: I am sure the honourable gentleman from Edmonton (Hon. Mr. Griesbach) will have some criticism to make of this Bill. Maybe he can supply the information I lack.

Right Hon. Mr. MEIGHEN.

I find here a supplementary memorandum, which is as follows:

Administration Costs and Repayments

The number of returned soldiers established with loans was..	24,715
Total charged to settlers, including interest..	\$148,451,406 15
Reduction of this amount to the present net investment of \$63,753,868.07 is accounted for as follows:	
Repayments to the Treasury (principal and interest)..	\$ 50,968,482 79
Remedial legislative reductions	21,703,845 77
Ascertained losses on security sold..	12,025,209 52
	<hr/>
	\$ 84,697,538 08

Interest was remitted in the sum of..	\$ 10,269,108 57
The total estimate of administration costs of soldier and general land settlement for the fiscal year 1933-34 is	805,000 00
Compared with administration costs, fiscal year 1929-30..	1,362,121 86
Reduction..	557,121 86
The cost of soldier settlement administration is (estimated), 1933-34..	567,600 00
which is slightly under .9 per cent of the present net investment in soldier land settlement, that is.. . . .	63,753,867 07
This net investment makes due allowance for the write-off through remedial legislation of..	31,972,954 64

The present cost ratio of soldier land settlement (.9 per cent) compares favourably with the administration cost of private mortgage companies in Canada.

I do not think the details of the comparison are particularly interesting. In the sixteen years since the scheme was inaugurated the administration cost of soldier settlement in Canada has been \$21,709,929. The amount repaid, although it is not a very great proportion of the total outlay, is somewhat gratifying, namely, \$51,000,000.

Hon. Mr. DANDURAND: Is there any information as to how many of the 24,000 soldiers have remained on the land?

Right Hon. Mr. MEIGHEN: The greater number would have remained.

Hon. Mr. DANDURAND: I doubt that more than fifty per cent would.

Right Hon. Mr. MEIGHEN: Perhaps not. Of those who have retired from the scheme 4,958 have repaid their loans in full. At the

present time the department is administering 22,964 farm properties, made up as follows:

Soldier settlers..	11,509
Civilian settlers..	5,464
British family settlers..	1,977
New Brunswick scheme..	291
Properties on hand..	3,723
Total..	<u>22,964</u>

There is certainly no dearth of information.

Hon. Mr. GILLIS: Is there a statement showing the number who paid all of their commitments before the reduction was made?

Right Hon. Mr. MEIGHEN: Though I cannot find it, I would not say it is not here. I am able to find almost anything in this memorandum. Of those who are out of the hands of the department 4,958 have repaid their loans in full—2,390 by cash repayment and 2,568 by repayment through the sale of their properties. In 1932 the department leased to local farmers 2,065 farms, the resulting revenue being \$54,485; from which it would appear that those who leased farms paid an average rental of \$27 apiece. The honourable senator from Calgary (Hon. Mr. Burns) will perhaps think that is too high a figure in these bad years.

Hon. Mr. DANDURAND: When I was in charge of government legislation, some years ago, I had to deal with this law, and like my right honourable friend, I came to ask for remissions. I have reached the conclusion that very often we are wiser after the event than we were before. I believe this was a disastrous venture. If we consider the formidable amount which has been expended, more than \$100,000,000, and the small number of soldiers who have really benefited by it, and from whose labours in developing the land the country also has benefited, we find that it probably would have been better business to give them an annuity which would have kept them in clover for life.

A general criticism that might be made is that this favoured treatment was extended to but very few of the 400,000 men who returned from overseas to be reabsorbed in civil life. Nevertheless, the idea of trying to settle returned soldiers on the land was an attractive one. All that I have to say now is that our experience should perhaps make us a little more modest in judging the actions of public men. There is no alternative, however, to accepting legislation of this kind, which is presented to us from time to time, and we can only hope that this is the last remission that will have to be made in this connection.

Hon. Mr. GRIESBACH: It may be of interest to honourable members to know how this policy came to be adopted. In 1917 the Government circularized the men under arms, asking them what they would like to do when they left the army. The postcards reached the men when they were standing in the trenches, being shot at from all directions, and were filthy, cold and wet. I forget exactly how the questionnaire ran, but I think it was somewhat like this: "How would you like to go farming?" At that time no man in the Canadian army could think of anything finer than retiring to a nice, quiet farm. Consequently every one of them said he would like to go farming. That is what started this policy. The only lesson to be learned from what has happened is that you cannot very well rely on evidence secured under such circumstances.

Right Hon. Mr. MEIGHEN: I do not remember the circulars, though probably some such efforts were made in preparation for the return of the large army of men who were in France. I have a very clear recollection, however, of deputations, large and numerous, very often headed by soldiers, which came to Ottawa at that time. The principal problem of the Government of that day was to find some means of absorbing this vast multitude, composed mostly of young men, many of whom at the time of leaving for overseas were not old enough to have received training for any special occupation. The majority of the men who had held positions in civil life found on returning that those positions were occupied by other people. All the returned men were restive and impatient to have something done for them quickly. I think there was not a single organization of any importance in Canada that did not press the Government to take means to place these men on the land.

The plan adopted was sound, was carefully and effectively safeguarded, and was placed in charge of men admirably qualified for their work. The great difficulty was that the plan had to be put into operation at a time when the prevailing prices for land were very high. The War had raised the prices of farm products and other commodities, and land values followed the general trend. Farms that now would go begging on the market at \$10 an acre could be readily sold in those days at ten times that figure. Though every care was taken to purchase land at the lowest possible cost, and no commissions were allowed under any conditions, there has since been such a depreciation that no settler, however exceptional he might be, could ever pay

for the land so bought. Ordinary civilians who purchased in those days have been affected in the same way as the ex-soldiers. In short, the problem had to be faced at a time when values were so high that they could not be sustained.

I quite agree with the remarks of my honourable friend opposite (Hon. Mr. Dandurand) to the effect that Governments sometimes do not resist popular appeals long enough. Some of these appeals acquire tremendous force by virtue of newspaper propaganda, and the powers that be are too often prone to yield. I hope I may say in this House, without being misunderstood, that about the worst possible guide any Government can follow is the mass opinion of newspapers of the country.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

Hon. Mr. DANDURAND: The regular procedure would be to send this Bill to Committee of the Whole. I have scrutinized the measure and, having no suggestion to offer for its improvement, I am agreeable to the third reading being given now. But honourable senators must not forget that they are free to criticize or to make any comment upon the Bill in Committee.

Right Hon. Mr. MEIGHEN: Certainly.

The Hon. the SPEAKER: Is it the desire of the Senate that this Bill be referred to the Committee of the Whole?

Some Hon. SENATORS: No.

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

CANADIAN NATIONAL-CANADIAN PACIFIC BILL

HOUSE OF COMMONS AMENDMENTS CONSIDERED IN COMMITTEE

On motion of Right Hon. Mr. Meighen, the Senate went into Committee on the amendments made by the House of Commons to Bill A, an Act respecting the Canadian National Railways and to provide for co-operation with the Canadian Pacific Railway system, and for other purposes.

Hon. Mr. McLennan in the Chair.

On section 1—short title:

The CHAIRMAN: The amendment is on page 1, in line 5, to strike out "1932" and insert "1933."

Right Hon. Mr. MEIGHEN.

Right Hon. Mr. MEIGHEN: I was afraid at one time it would have to be "1934."

The amendment was agreed to.

On section 2, subsection 1—His Majesty bound; inconsistent provisions:

The CHAIRMAN: The amendment is to insert on page 1, after the word "allowances" in lines 20 and 21, the following: "and, (d) the provisions of the Industrial Disputes Investigation Act."

Right Hon. Mr. MEIGHEN: I may say that when the Bill was before us I gave our Committee assurance that the Industrial Disputes Investigation Act would not be deemed to be inconsistent with this measure. As I said yesterday, the amendment does not alter the effect in the slightest degree.

The amendment was agreed to.

On section 2, subsection 3—abandonment of operation:

The CHAIRMAN: The next amendment is to add the following as a new subsection to section 2:

(3) Notwithstanding anything in this Act or in any other Act any railway company may abandon the operation of any line of railway with the approval of the Board of Railway Commissioners for Canada, and no railway company shall abandon the operation of any line of railway without such approval.

Hon. Mr. MURDOCK: Honourable members, I suggest to the right honourable leader of the House that if the new subsection is to convey what I think we all understand it is intended to convey, the words "or part thereof" should be inserted after the word "railway" in both the third and fifth lines. The point I have in mind was considered when we had the Bill before us previously. Suppose, by way of illustration, it were agreed between the two companies that the Canadian Pacific should abandon its line from Sudbury to Fort William and that all the traffic east and west between those points should be routed over the Canadian National. That would result in an abandonment, not of the Canadian Pacific line as a whole, but of a very important part of that line.

When this Bill was before us in the Railway Committee it was stated that the Board of Railway Commissioners had ruled they had no authority to order the Canadian Pacific not to abandon nineteen miles of track between Bolton and Melville, on the line between Toronto and Owen Sound. The Toronto to Owen Sound line was not abandoned, but the part that I have referred to was, and

trains from Toronto to Owen Sound now go by Streetsville and Brampton. In a word, the line is still there, but nineteen miles of it have been abandoned.

Right Hon. Mr. MEIGHEN: The point raised by the honourable gentleman struck me yesterday, but I should be afraid that if we inserted the words he suggests a railway could not abandon any portion of a line, even ten feet, without the approval of the Board. Dealing with the illustration cited by the honourable gentleman, I do not think the courts would hold that between Fort William and Sudbury nothing short of the whole line could be considered a line within the meaning of this subsection. It seems to me the interpretation would be that a line of railway is a substantial part involving a distinct service; that so long as there was no loss of a distinct service there would be no abandonment of a line, and that the approval of the Commission would be necessary for any abandonment which would result in the discontinuation of a service. I should prefer to leave the subsection as it is. If it did not work out in accordance with the principle which I think will govern the courts, we could make an amendment later.

Hon. Mr. MURDOCK: All right.

The amendment was agreed to.

On section 3—definitions:

The CHAIRMAN: The amendment to this section is that the word "Arbitral," occurring in line 25 and line 30 in paragraph b, is not spelled with a capital A.

Right Hon. Mr. MEIGHEN: I do not know why the word should not be capitalized, as "Tribunal" is. But by adopting the amendment we shall not upset the British Constitution.

The amendment was agreed to.

Hon. Mr. MURDOCK: May I call the attention of the right honourable leader to what I think is a typographical error in paragraph b of section 3? It seems to me that the words "Part II" in line 26 should read "Part III."

Right Hon. Mr. MEIGHEN: That is very important.

The CHAIRMAN: And is there a similar error in line 29?

Hon. Mr. MURDOCK: No; "Part II" in line 29 is all right.

Right Hon. Mr. MEIGHEN: I think the honourable gentleman is right on both points. However, the Clerk has just called my atten-

tion to the fact that the error was in the Bill when we sent it over from the Senate. We are now in Committee to consider amendments made by the House of Commons to the Bill. Perhaps we had better leave the matter for the moment.

On section 4—nominations and appointments to Board of Directors to be vacated and three Trustees substituted for original incorporators; Chairman; to devote all this time:

The CHAIRMAN: The amendment is that subsection 2 be deleted and the following two subsections substituted:

(2) One of such Trustees shall be their Chairman. He shall devote his whole time to performance of the duties of his office and shall not be an officer nor after his appointment as trustee become, otherwise than by re-election, a director of any company other than a company which is comprised in National Railways.

(3) The Trustees, other than the chairman, first appointed under the provisions of this Act, shall from time to time during the terms of their first appointments devote to performance of the duties of their office their whole or part time as may be determined from time to time by the Governor in Council, and the salaries to be paid to such trustees for whole and/or part time service shall be fixed at the time of their appointments.

The amendment was agreed to.

On section 6, subsection 1—vacancies:

The CHAIRMAN: The amendment is to strike out all the words after the word "occurring" at the end of the first sentence. This would make the section read:

(1) The Governor in Council may from time to time appoint or reappoint a Trustee to fill any vacancy among the Trustees from any cause occurring.

Right Hon. Mr. MEIGHEN: This amendment does away with the panel from which a trustee was to be elected in the event of a vacancy. I may say that the amendment is in distinct antagonism to the report of the Duff Commission. The Commission recommended that there be some safeguard against political appointments, and suggested that when a vacancy occurred a panel should be furnished to the Governor in Council by a board composed of certain men who were divorced entirely from political life. The Senate Committee strengthened that safeguard by increasing the size of the panel, and now the House of Commons has struck out the whole panel system and left the appointments entirely with the Governor in Council. I have confidence enough in the Governor in Council, but I do point out that this is in distinct antagonism to one of the basic recommendations of the Duff Commission.

The amendment was agreed to.

On section 6, subsections 2 and 4—tenure of office; vacancies by efflux of time:

The CHAIRMAN: Page 4, lines 26, 28, and 35, strike out the word "seven" and substitute the word "five."

The amendments were agreed to.

On section 8—provincial companies re-incorporated; other companies:

The CHAIRMAN: Page 5, line 36, strike out clause 8 and substitute therefor the following:

8. (1) The works of every incorporated company in Canada which is comprised in National Railways but is not incorporated by or under the law of the Dominion of Canada and which have not heretofore been declared to be works for the general advantage of Canada, are hereby declared to be works for the general advantage of Canada.

(2) By force of this Act, and without more, the now shareholders of every company in Canada comprised in National Railways, the works of which have been or are hereby declared to be works for the general advantage of Canada, are hereby incorporated, and such incorporated company shall have the same name, directors and undertaking as the first mentioned company, and may and shall act in succession thereto and continuity thereof as respects all its affairs by, under and subject to the provisions of this Act.

The amendment was agreed to.

On section 9, subsection 6—approval of His Majesty or of shareholders not required:

The CHAIRMAN: Page 7, lines 2 and 3, strike out the words "His Majesty or that of any shareholder" and substitute therefor the words "the shareholders."

The amendment was agreed to.

On section 12—annual budget; submission to Minister of Finance prior to Parliament; income deficits not to be funded; votes not to be diverted:

The CHAIRMAN: Page 7, line 40, for clause 12 substitute the following:

12. The annual budget of National Railways shall be under the control of the Trustees. Estimates of the amounts required for income deficits, for interest on obligations outstanding in the hands of the public, for capital expenditures and for refunding or retirement of maturing securities shall be submitted by the Trustees to the Minister of Finance for the consideration and approval or disapproval in whole or in part of the Governor in Council and thereafter presented to Parliament. Income deficits shall not be funded. Amounts provided by Parliament to meet capital expenditures shall not be diverted to cover deficits in operation unless with the express authority of Parliament.

The amendment was agreed to.

Right Hon. Mr. MEIGHEN.

On section 13, subsection 1—continuous audit by independent auditors; report to Parliament; payment:

The CHAIRMAN: Page 8, line 5, after the word "by" insert the words "a resolution of."

The amendment was agreed to.

On section 14, subsection 1—annual report to Parliament:

The CHAIRMAN: Page 8, lines 21, 22 and 23, strike out the words "of the railways, works, property, facilities and services comprised in the undertakings."

The amendment was agreed to.

On section 15—reports to Parliament through the Minister of Railways:

The CHAIRMAN: Page 8, line 37, after the word "Railways" insert the words "and Canals."

The amendment was agreed to.

On section 16—co-operative measures, plans and arrangements by C.N.R. and C.P.R.:

The CHAIRMAN: Page 9, line 12, after the word "provide" insert the following words, "through negotiations with the representatives of the employees affected."

The amendment was agreed to.

The CHAIRMAN: Page 9, between lines 33 and 34, after subclause 2 of clause 16 insert the following as subclause 3:

(3) The National Company and the Pacific Company for and on behalf as aforesaid are directed to endeavour to provide that any new company, created as in subsection two of this section referred to, shall give preference for work to employees in any service or on any works taken over by such new company.

The amendment was agreed to.

The CHAIRMAN: Page 9, line 34, re-number subclause 3 as subclause 4.

The amendment was agreed to.

The CHAIRMAN: Page 9, between lines 42 and 43, insert the following as subclause 5:

(5) Where the execution or carrying out of such a measure, plan or arrangement involves the doing of any act which by any statute requires the leave, sanction, assent or approval of the Board of Railway Commissioners for Canada, no such measure, plan or arrangement shall be effective without the approval of the said Board.

The amendment was agreed to.

The CHAIRMAN: Page 9, line 43, re-number subclause 4 as subclause 6.

The amendment was agreed to.

On section 17, subsection 3—particular jurisdiction of tribunals:

The CHAIRMAN: Page 10, line 36, strike out "(e) abandonment of lines, services and facilities." Page 10, line 37, re-letter (f) as (e). Page 10, line 39, re-letter (g) as (f).

The amendments were agreed to.

On section 18—Chairman and members of Tribunal:

The CHAIRMAN: Page 11, line 12, after the word "Canada" insert the following words, "or in the event of such President acting as Chief Commissioner, a judge of the Supreme Court of Canada."

The amendment was agreed to.

The CHAIRMAN: Page 11, line 36, for the word "in" substitute the word "is."

The amendment was agreed to.

On section 23—certain orders of Tribunal require formal written consent of presiding officer:

The CHAIRMAN: Page 13, lines 23 and 24, after the word "requires" strike out the words, "but for the provisions of this Act." Page 13, line 26, after the word "officer" insert the words, "of a Tribunal composed of not more than three members." Page 13, line 29, after the word "assent" add the words, "and on such occurrence and assent having been given, no such leave, sanction, assent or approval of the said Board will be required."

The amendments were agreed to.

The CHAIRMAN: Page 14, line 20, add the following part:

Part IV
General

27. Nothing in this Act shall be deemed to authorize the amalgamation of any railway company which is comprised in National Railways with any railway company which is comprised in Pacific Railways nor to authorize the unified management and control of the railway system which forms part of National Railways with the railway system which forms part of Pacific Railways.

28. This Act shall come into force on the first day of July, 1933.

The amendment was agreed to.

Hon. Mr. DANDURAND: Has the right honourable gentleman (Right Hon. Mr. Meighen) further considered the apparent typographical error in paragraph b of section 3?

Right Hon. Mr. MEIGHEN: Yes. A more careful reading of the paragraph indicates that "Part II" is right. There is some obscurity of expression. The intention is to refer to a "plan or arrangement settled upon or made." Notwithstanding that the words "which is authorized by Part II of this Act" appear immediately after "arbitral Tribunal," they apply to the final arrangement.

The amendments were reported.

On the motion for concurrence in the amendments:

Hon. Mr. DANDURAND: Honourable senators, I was not present when the Committee on Railways, Telegraphs and Harbours presented its report, and therefore I crave the indulgence of the House while I express my views on the Bill as now amended.

During the debate on the motion for the second reading I stated that the report of the Duff Commission pointed in the right direction, and that the remedy it had suggested, as embodied in the Bill, was worth trying, although I felt there might be some difficulty in reconciling co-operation with continuance of the principle of competition. I expressed myself as being absolutely opposed to amalgamation of the two railways, either under private or under public ownership. I suggested that the Committee should study the report of the Senate Railway Committee of 1925, which recommended joint management of the two railway systems. That report was studied, but the general opinion appeared to be that joint management was tantamount to amalgamation. I know my honourable friend from Parkdale (Hon. Mr. Murdock) thought it was a veiled move towards amalgamation. This being the impression within and without Parliament, I voted for the scheme embodied in the Bill when the question was before our Committee.

I also said I was doubtful whether the scheme would provide the complete remedy which we are seeking, but it seemed to me to be worth trying. I believe that if the managements of the two railway systems co-operate, one with the other, and are given a free hand by the controlling powers, the experiment will prove a success. Every effort must be made to ensure its success, for the railway situation is very serious. This is recognized by the railway executives and by the public generally.

By section 16 the two railway companies are directed:

to attempt forthwith to agree and continuously to endeavour to agree, and they respectively are, for and on behalf as aforesaid, authorized to agree, upon such co-operative measures, plans and arrangements as are fair and reasonable and best adapted (with due regard to equitable distribution of burden and advantage as between them) to effect such pur-

poses. They are further directed that whenever they shall so agree they shall endeavour to provide through negotiations with the representatives of the employees affected, as part of such measure, plan or arrangement or otherwise, for a fair and reasonable apportionment as between the employees of National Railways and Pacific Railways, respectively, of such employment as may be incident to the operation of such measure, plan or arrangement.

(2) Without restricting the generality of the foregoing, any such measures, plans or arrangements may include and be effected by means of—

(a) new companies controlled by stock ownership, equitably apportioned between the companies;

(b) leases, entrusting agreements, or licences, or agreements for the pooling and division of earnings arising from the joint operation of any part or parts of freight or passenger traffic, or express, telegraph, or other operating activities or services;

(c) joint trackage, running rights, joint ownership, or joint operating agreements, depending upon the nature of the property or services included in any co-operative plan; and

(d) joint or individual highway services, or highway and railway services combined, in any form.

(3) The National Company and the Pacific Company for and on behalf as aforesaid are directed to endeavour to provide that any new company, created as in subsection two of this section referred to, shall give preference for work to employees in any services or on any works taken over by such new company.

This means very close co-operation, and I trust that if the two railways work together for the purpose of saving the situation, which, as I have said, is a most serious one, the results will be satisfactory. Yet I have heard somewhat pessimistic expressions of opinion. In the event of failure we may some day have to review the whole situation and try to find some other solution of the problem. The idea of amalgamation would be most unpleasant and unpalatable to the public, and I do not accept it myself, but we may have to reconsider the proposal for joint management which the Senate unanimously suggested to the Government in 1925.

I realize that under joint management competition would go completely by the board. Competition is generally held to be a good thing, and it has its advantages, but it is not an essential principle, though in some quarters of the country it has been held to be sacrosanct. There is one principle which is essential, and which I place above all others, namely, the welfare of Canada.

I have been in political life for thirty-five years, and can remember accompanying delegations presenting to the Prime Minister and the Minister of Railways requests for railway communication. That was a time when people from all parts of the country came and begged on their knees for branch lines to

enable them to move their products to market. I have also attended many interesting functions in connection with the opening of branch lines, and can testify to the blessings that on such occasions were bestowed upon the powers of that day for having granted railway facilities to communities that previously had been without them. What was it the people were clamouring for? They were clamouring for a railway, which they felt was their greatest need. To-day they are clamouring for two railways. They want competition. I know, of course, that in two-thirds of the country competition does not exist. Yet we hear this clamour for competition. I have no objection to competition if we can afford it, but if competition between the railways hinders the solution of our financial problems, it must be curbed.

I may say, like the right honourable gentleman, that I do not see the advantage of some of the amendments which have been made to this Bill. However, I accept them as they come, hoping that in certain particulars they may be an improvement.

Hon. JAMES MURDOCK: Honourable senators, I had not intended taking up the time of the House on this subject, but as my honourable leader has started a discussion, I should like to put myself right with respect to the amendment to section 16 which has come to us from the House of Commons. Nine words have been inserted that I, as a representative of labour for over thirty years, regard as absolutely unnecessary, and that I think may be a source of great concern to the employees of both the Canadian Pacific and the Canadian National Railways.

Before this Bill left the Senate we inserted in section 16 an amendment which read as follows:

They are further directed that whenever they shall so agree they shall endeavour to provide, as part of such measure, plan or arrangement or otherwise, for a fair and reasonable apportionment as between the employees of National Railways and Pacific Railways, respectively, of such employment as may be incident to the operation of such measure, plan or arrangement.

The reasonable supposition is that the properly qualified operating officers of the two railways would decide upon some plan or measure for co-operation involving, to a greater or less extent, the work of the employees of both lines, and that in proceeding to put that plan into effect they would be obligated to recognize the rights of the men of both lines. But the nine words now inserted provide that that must be done "through negotiations with the representatives

of the employees affected." In this provision I see nothing but delay and disagreement, because presumably the direct representatives of the employees of the Canadian Pacific Railway—and I know whereof I speak—would be diametrically opposed to the contentions of the employees of the Canadian National Railways, and the operating officials of the two roads would say, "Well, we will divide up the employment and allocate it after you agree among yourselves." That might take a long time. Therefore, speaking as a representative of labour for many years, I may say that I regard those words as unnecessary. The relations between the railway men and the officials of the two roads have been of too cordial a nature to necessitate anything which will only delay the allocation of the employees of the two lines under a co-operative plan.

As I have said, it had not been my intention to say anything in regard to this subject, but when my honourable leader participated in the discussion I thought it only proper that I should state my position. I think the words I have referred to are totally unnecessary and will be disadvantageous rather than advantageous in the settlement of differences between the employees.

Right Hon. Mr. MEIGHEN: Honourable members, I am in complete agreement with the honourable gentleman from Parkdale (Hon. Mr. Murdock). The words inserted by the House of Commons are not only unnecessary, but nonsensical. The clause into which they are injected was given to me in our Committee by the honourable senator from Parkdale, the intention being to make such provision as Parliament reasonably could make to see to it that under working agreements or operating arrangements, or the like, between the two systems, there should be a fair division of the work among those who had had it before, and that it should not go elsewhere. The main object was to see that men were not displaced any further than was absolutely necessary. Why in the world should such a matter be arranged by negotiation with the representatives of the men? To show how utterly nonsensical the amendment is, I ask, why do the railway companies need to go to the men to negotiate in order that those men may get the work? If it were a matter in which the men were pulling one way and the companies the other, negotiation would be proper, but the railways are directed to do just what the men would want them to do. That being so, why negotiate? If there were to be negotiations between the employees of the Canadian Na-

tional and the employees of the C. P. R. as to the division of the work, then the negotiations should be between the representatives of those two groups of employees, and not between the employees on the one hand and the railways on the other.

I do not know how much danger there is in this provision. I know it is of no earthly value. The honourable gentleman from Parkdale will know whether or not it is worth while moving to strike it out. If he thinks it is, I will support him. I think the words which have been added are superfluous, if not nonsensical, and would be better out of the Bill.

Hon. Mr. MURDOCK: My own judgment is that this amendment should go out, but I am not going to make a motion of that kind, because this looks good to gentlemen who were in the business of negotiating for the employees ten or fifteen or twenty years ago, when we used to have to sit on the bottom step of the railway offices for ten or fifteen days awaiting an interview. But those days have gone by. To-day we can go to the officials in a proper way and discuss anything on an even footing.

This language is superfluous, and I think it will result in unnecessary discussion between the employees of the two lines; but probably we should leave it there to see how it will work out. My personal judgment is that later we shall want to place the responsibility where it properly belongs—and where it was placed before the Bill left this House—namely, with the operators of the two railroads. But let us try this out and see what comes of it.

The amendments were concurred in.

INDIAN BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 21, an Act to amend the Indian Act.

He said: Honourable members, the main purpose of this Bill is to provide, once again, for the enfranchisement of Indians, even though they do not apply for it. In 1920, while Superintendent General of Indian Affairs, I introduced into the House of Commons and had accepted by it a measure designed for this very purpose. Strange as it may seem, the Indian population, especially the active and oratorical members of the bands, are almost always opposed to anything of this kind. They want to keep their populations intact; they do not want those who mature intellectually and otherwise to enter into full citizenship, and they do not look with favour

upon the objective of Indian policy. As a consequence of pressure brought to bear, a subsequent Minister—I think it was in 1922 or 1923—repealed the measure to which I have referred. This is a re-enactment of that measure in somewhat modified form, and contains safeguards to which I do not take the least objection.

Honourable members will see that provision is made in this Bill whereby the initiative may be taken by the Superintendent General. Under the old Act a board consisting of three members, two appointed by the Minister and one appointed by the Indian band, dealt with the subject of enfranchisement. Under the present Bill one of the members of the board must be a judge, and the Indians have something to say in the selection that is to be made.

As I have stated, the real object of the Bill is to secure the enfranchisement of men who should no longer be wards and children of the State, but are perfectly competent to walk their own path in life. I have not the slightest doubt of the wisdom of moving along this line. In fact, if there is any object at all to our Indian policy, it is gradually to bring the Indian up to the status of citizenship. Are we going to admit that our goal is to keep these people for ever as wards, to be sustained, supported, led and fed by the Government of our country? If that is our object, then we should never have enabled the guardian of the Indians of Canada to open the door of citizenship to them, but should have allowed them to continue to huddle together where they are, and should have prevented even the most aspiring among them from reaching the goal of citizenship, which, it seems to me, is the only sane and useful goal of Indian policy in this country.

Hon. Mr. DANDURAND: I should like to ask my right honourable friend, who seems to have considerable knowledge of this subject, exactly what is to be the effect of the modification now suggested to us. I can quite understand that under the old Act an Indian who desired to strike out for himself and commingle with the whites as a full-fledged citizen would leave the reserve and ask for citizenship. His case was clear. When he wanted to fly with his own wings, he set the machinery in motion. But will my right honourable friend explain to us what will take place now? The agent on the reserve, who knows the Indians, may report that ten, twenty or fifty members of the band can shift for themselves. If he recommends to the Superintendent that they should be ousted from the reserve and sent into the outside

Right Hon. Mr. MEIGHEN.

world, after being granted their share of the assets held for them in the department, will the Superintendent decide upon that report whether these men should become Canadian citizens and be enfranchised? Perhaps the right honourable gentleman will tell us just what will happen to the property of an Indian who is enfranchised under this section. What will be done with the individual's share of interest which has accrued on capital in the hands of the department? And what will govern the selection of those who are to be enfranchised? Will there be a careful study of the development of the various bands, and will those that are approved be enfranchised as a whole? Or will individual selections be made? I confess that I have not compared these amendments with the Act, and I am concerned as to what may happen when an Indian is enfranchised, not on his own initiative, but in consequence of a departmental report.

Right Hon. Mr. MEIGHEN: In deciding whether to take steps for the enfranchisement of any Indians, the Minister will no doubt be guided by the report of his agent in the reserve in which the particular Indians live. A number of reports may be made in some instances. Section 7 shows the procedure to be followed when it is decided that steps should be taken towards enfranchisement. That section reads:

In respect of an Indian or Indians of any band who has not or have not made application for enfranchisement under this section or under section one hundred and fourteen of this Act—

The right of an Indian to apply voluntarily is preserved.

—the Superintendent General may appoint a Board to consist of any judge of any superior court or any judge of any circuit, district or county court, an officer of the Department and a member of the band to be selected by the band to which the Indian or Indians under investigation belongs or belong, or failing the selection of such member for a period of thirty days after the date of notice having been given to the Council, the member shall be appointed by the Superintendent General, to make enquiry and report as to the fitness of any Indian or Indians to be enfranchised, and such report shall have the same force and effect and shall be dealt with in the same manner as if the same had been made upon the application of an Indian or Indians under this section: Provided that no enfranchisement of any Indian or Indians shall be made under this subsection in violation of the terms of any treaty, agreement or undertaking that may have been entered into or made between or by the Crown and the Indians of the band in question.

I call attention to the provision that compulsory enfranchisement of any Indian shall not be effected in violation of any treaty; but I do not apprehend that there is in existence

any treaty which would be violated by such an act.

The honourable gentleman inquires what would happen to the share of an Indian, enfranchised under this section, in the capital funds of the band.

Hon. Mr. DANDURAND: And in the land belonging to the reserve upon which he has lived.

Right Hon. Mr. MEIGHEN: The honourable gentleman will find all that is taken care of in the Indian Act. It is provided that the interest of an Indian in the common assets is preserved to him upon his enfranchisement; that nothing is sacrificed by the individual who becomes enfranchised. I cannot state the exact terms of the Act, but I can assure the honourable gentleman that as it now stands it provides that when an Indian sets out and becomes one of the rank and file of Canadians he gets all that he is entitled to in the assets of the band to which he belonged.

Hon. Mr. DANDURAND: Is he supposed to leave the reserve on enfranchisement?

Right Hon. Mr. MEIGHEN: Yes, I think so. I fancy that most of the men entitled to enfranchisement are not on reserves now. There are a great many Indians in Canada who do not live on reserves. For instance, there is a colony at File Hills.

Hon. Mr. GRIESBACH: Are they Treaty Indians?

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. GRIESBACH: Why are they not on a reserve?

Right Hon. Mr. MEIGHEN: Because they are farming on their own account. Some of them have been farming for twenty or twenty-five years. They are pretty successful farmers too, if there is such a class these days; in any event, they were successful when times were better. I am not speaking with finality when I say that Indians must leave the reserve on enfranchisement, but I think that this step is usually taken first by most of them who become enfranchised.

Hon. Mr. DANDURAND: I should not see any difficulty with respect to this section if it provided for the enfranchisement of only those Indians who have left the reserves or leave in the future. But it seems to me there is trouble ahead if the department investigates the qualifications or attainments of groups of Indians and decides to act upon its right to force a certain number of them to abandon their communal life. There is much to be said in favour of gradually absorbing these people into Canadian citizen-

ship, but I fear the results would be unfortunate if the Superintendent intervened in reserves and forced considerable numbers of Indians to leave the places where they were born and have always lived.

Right Hon. Mr. MEIGHEN: I do not think this section would have the effect of forcing them out of the reserves. My opinion is that most of the Indians who have shown qualifications for enfranchisement are already living outside the reserves or have outside interests.

Hon. Mr. GILLIS: In the neighbourhood of the district where I live there are a considerable number of Indians who appear to have a certain area of land assigned to them. If any of them are enfranchised, can they continue to occupy those lands, or can they get title to them as citizens of Canada?

Right Hon. Mr. MEIGHEN: Oh, yes. I am sorry that I have not the text of the Indian Act before me, but any Indian who is enfranchised gets his share of the land.

Hon. Mr. GILLIS: On the reserve?

Right Hon. Mr. MEIGHEN: Yes, I think he gets it on the reserve, which is the only place where most Indians have any property rights. Or perhaps he would have some property purchased for him elsewhere to compensate him for the share to which he is entitled. I am certain he gets his full share of the common assets.

Hon. Mr. GRIESBACH: Can an enfranchised Indian sue and be sued?

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. GRIESBACH: But if he lives on a reserve, how is it possible to enforce a judgment against him?

Right Hon. Mr. MEIGHEN: Of course, any property to which he is given the title is his, whether it was formerly part of a reserve or not. One of the objects of enfranchisement is to enable an Indian to sue and be sued. An unenfranchised Indian may commit fraud—and he is intelligent enough to know how to do it—but he cannot be sued. Nor can he sue anyone against whom he has a grievance or claim.

I do not know why any man who has, through generations of racial improvement, become the equal of the average citizen in point of capacity and ability to fight his way in life, should be coddled and treated as a mere ward, even if he wants to be so treated.

Hon. Mr. DANDURAND: We have been discussing this Bill freely, almost as though we were in Committee. But I suggest to the right honourable gentleman that perhaps it would be better to take the second reading and go into Committee.

Right Hon. Mr. MEIGHEN: I think we should go into committee immediately after the second reading.

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

CONSIDERED IN COMMITTEE

On motion of Right Hon. Mr. Meighen, the Senate went into Committee on the Bill.

Hon. Mr. Copp in the Chair.

On section 1—truant officers:

Right Hon. Mr. MEIGHEN: This simply provides that every member of the Mounted Police or any special constable appointed for police duty on an Indian reserve shall be a truant officer.

Hon. Mr. DANDURAND: I may say, honourable members, that the Six Nations Indians gave me considerable trouble at Geneva. Having done all they could in this country to free themselves from the control of the Dominion Government, they went to the foot of the Throne, whence they were directed to return with their complaints to Ottawa. Then they appealed to the Council of the League of Nations for protection, claiming that Canada was violating a treaty made some 150 years ago between a representative of the King and themselves. I obtained from the department considerable information on the status of these Indians and furnished it to the Society of Friends at Geneva, which was endeavouring to protect the rights of Indians in Africa, Asia and America. I remember that one of the grievances was that a police officer of Canada had dared to invade the Six Nations reserve. I cited our law which permits these Indians to vote, and showed that all the members of this particular band had recognized themselves as Canadian citizens by going to the polls at the last two general elections. I do not know whether the provisions of this Bill apply to Six Nations Indians. Can the right honourable gentleman state whether there is any exception in their favour?

Right Hon. Mr. MEIGHEN: No, there is none at all.

Section 1 was agreed to.

Right Hon. Mr. MEIGHEN.

On section 2—removal of executors:

Right Hon. Mr. MEIGHEN: This applies where an executor does not proceed as he should with the distribution of estates.

Section 2 was agreed to.

On section 3—consent of agent required for sale or barter:

Hon. Mr. GILLIS: Has the law not always prevented an Indian from selling?

Right Hon. Mr. MEIGHEN: Formerly the law made it an offence only for the person buying from the Indian, but this amendment makes it an offence for the Indian to sell. The Indian is put on his guard, because usually he is just as much to blame as the other party.

Section 3 was agreed to.

On section 4—buying of produce prohibited:

Right Hon. Mr. MEIGHEN: The explanation given on section 3 applies here.

Section 4 was agreed to.

On section 5—roads:

Right Hon. Mr. MEIGHEN: This enables the Superintendent General to say where roads shall be established on a reserve.

Section 5 was agreed to.

On section 6—regulations:

Right Hon. Mr. MEIGHEN: This is to regulate the operations of hawkers and peddlers:

Section 6 was agreed to.

On section 7—board of enquiry as to fitness for enfranchisement:

Right Hon. Mr. MEIGHEN: This is the section which was referred to on the motion for second reading.

Hon. Mr. DANDURAND: This is the kernel of the Bill. I quite understand that the Superintendent General should take notice of the request of an Indian who desires to be enfranchised, but I wonder what will govern the selection of persons for enfranchisement in the absence of such requests. As I said before, the matter would be quite simple if the section applied only to those individuals who had left or might in the future leave their reserve, to live as ordinary Canadian citizens, for they would have shown that they no longer desired to remain wards of the Government. But how will the Superintendent make his selection among Indians who have shown no inclination to move away from the reserve?

Hon. Mr. GILLIS: Will he not be guided by the agent or other official at the reserve as to what men are fit for enfranchisement?

Right Hon. Mr. MEIGHEN: Always. Indians themselves can select their own representative on the Enfranchisement Board. They are allowed thirty days in which to do this. If they are stubborn and refuse to do so, a representative is selected for them.

Section 7 was agreed to.

On section 8—residing or hunting upon any reserve without authority; penalty:

Right Hon. Mr. MEIGHEN: This is to enlarge the power of the agent with respect to persons found on the reserve who cannot give an adequate reason for being there. The onus is on them.

Section 8 was agreed to.

Section 9 was agreed to.

On section 10—restriction on Indian dances, etc.:

Right Hon. Mr. MEIGHEN: This amendment strikes out the words "in aboriginal costume." The original Act provided that Indians who engaged in stampedes or pageants in aboriginal costume without the consent of the Superintendent General or his authorized agent rendered themselves liable to serious penalties. The amendment is intended to render it a little more difficult for Indians to evade the ban by making a slight change in their costume.

Hon. Mr. DANDURAND: What is the objection to their taking part in dances and stampedes?

Right Hon. Mr. MEIGHEN: Mr. Graham, the late Commissioner at Regina, who was in the Indian service for over forty years, told me that dances among the Indians were pretty wild affairs, and most degrading and dangerous, having a tendency to take them back to jungle conditions. The best Indian authorities say "No," and I am ready to follow their advice.

Section 10 was agreed to.

Section 11 was agreed to.

The preamble and the title were agreed to. The Bill was reported.

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

Hon. Mr. DANDURAND: I think the Senate would be interested in knowing whether enfranchisement might result in a whole band being dispersed. I would suggest to my right honourable friend that the third reading of

the Bill should be deferred and in the meantime he should ascertain from the Department of Indian Affairs what procedure the board is to follow in selecting Indians to be enfranchised.

Right Hon. Mr. MEIGHEN: In view of the honourable senator's request I will not ask for third reading of the Bill until the next sitting of the House. I thought I had given honourable members a fairly full explanation, but I will endeavour to get more satisfactory information, especially as to how the enfranchised Indian shares in the common property.

Hon. Mr. DANDURAND: But my right honourable friend has not said that the Indian is ousted from the reserve.

Right Hon. Mr. MEIGHEN: I do not think he is ousted from the reserve. I will get full information as to how the Indians to be enfranchised are selected. I know that what I have told my honourable friend is right: their names are submitted by the Indian agent, and if the records in the department confirm his recommendation, or at least are not antagonistic to it, those named are dealt with by the board.

Hon. Mr. DANDURAND: The agent might suggest the enfranchisement of five or ten men who might happen to be the council—the chiefs. How would the band feel if they lost their leaders?

Right Hon. Mr. MEIGHEN: The agent would take care of that. He would not leave them without leadership.

CRIMINAL CODE BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 71, an Act to amend the Criminal Code.

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

CONSIDERED IN COMMITTEE

On motion of Right Hon. Mr. Meighen, the Senate went into Committee on the Bill.

Hon. Mr. Copp in the Chair.

On section 1—interpretation; "prize fight":

Right Hon. Mr. MEIGHEN: This section exempts from the definition of "prize fight," and therefore from the prohibition of prize fights, boxing contests where the gloves worn are not lighter than five ounces, and similar contests held under the authority of commissions set up by provincial legislation for

the purpose of controlling sport. Of course, the contestants must be amateur sportsmen.

To save time, I will deal with the other sections as well.

By section 2 a person is guilty of an indictable offence if he signs a document purporting to be an affidavit or statutory declaration as having been sworn or declared before him, when it was not so sworn or declared.

Section 3 is a pretty stringent provision, to which I think honourable senators should give very close attention. It makes wider the description of the practice—prohibited already under the Code—of immorality in a house where a child resides. Conviction for the offence is made more certain by the irrefutable presumption that the child was in danger of becoming demoralized. Personally I do not see any reason in saying a man shall not do something that may have the effect of demoralizing a child in the same house, and at the same time saying it is an irrefutable presumption that he is demoralizing the child. I suppose one can only complain that the drafting is clumsy.

The other amendments to the section are consequential. "Child" is defined as a boy or girl apparently or actually under the age of sixteen years. That also seems to me pretty dangerous verbiage.

Section 4 makes what was an offence if the objects described were found adrift or cast ashore, still an offence if those objects are found "lying upon or imbedded in the bed or bottom" of a stream.

Section 5 makes it an indictable offence—and no doubt it should be made a serious offence—to inject or throw into any theatre, church, public hall or other place of usual resort any offensive volatile substance, commonly known as a stench bomb, which causes discomfort to persons or damage to property.

Section 6 defines the class of judges who in the Province of Ontario can try the cases referred to in section 749 of the Code.

The next section amends the French version. The amendment is so simple that no explanation is needed.

Section 8 enlarges the scope of the offence of obtaining money by false pretences as defined in paragraph a of section 773 of the Code. This amendment raises from \$10 to \$25 the maximum estimated value of the property stolen.

Section 9 defines the jurisdiction of police and stipendiary magistrates within certain geographical limits of certain provinces, bringing the application of the power of these magistrates into conformity with what I understand is the desire of those provinces.

Right Hon. Mr. MEIGHEN.

Section 10 is a consequential amendment relating to section 8.

Section 11 defines the jurisdiction of certain magistrates in respect of certain groups of offences as defined in section 777 of the Code.

These are more or less technical amendments.

Section 12, however, makes a substantial amendment, in that it adds Quebec to the list of those provinces where grand juries are no longer essential.

Section 13 provides how charges may be laid in Manitoba, Saskatchewan, Alberta and British Columbia in respect of offences under section 873 of the Code.

Similarly, section 14 provides how such charges may be laid in the Province of Quebec.

Section 15 provides that prosecutions already commenced in the Province of Quebec may be carried on notwithstanding the amendments to the Code in respect of grand juries.

Section 16, relating to an appeal by a convicted person, amends subsection 2 of section 1019 of the Code by the addition of the underlined words. It now reads:

—the time during which such person is detained in gaol or other place of confinement pending the determination of an appeal by him shall not count as part of any term of imprisonment under his sentence.

Section 17 contains a very important amendment. It abolishes appeals to the Privy Council in respect of convictions for crime. Such an amendment was passed once before, but inasmuch as it was held to be an attempted exercise of extra-territorial jurisdiction, it became non-effective. By virtue of the passing of the Statute of Westminster it now is within the power of the Parliament of Canada to exercise this jurisdiction, and consequently the section is re-enacted.

The last section merely provides when the Act shall come into force.

Section 1 was agreed to.

Section 2 was agreed to.

Section 3, new subsection 2 of section 215, was agreed to.

On new subsection 3—irrefutable presumption:

Hon. Mr. McMEANS: Would it not be better to go the full length and make adultery a crime, as it is in several States of the Union?

Hon. Mr. DANDURAND: Subsection 2 reads, "Every person who, in the home of a child, participates in adultery," and so on. Would that cover the case of a woman who has left her husband and is living with another man and bears children to him?

Right Hon. Mr. MEIGHEN: It would. I think this is a very dangerous clause.

Hon. Mr. DANDURAND: I think it goes far beyond what seems on the surface to be its effect. As the honourable gentleman from Winnipeg (Hon. Mr. McMeans) has said, it would perhaps be better to wrestle with the broad problem rather than try to punish adultery in this way. I would direct attention to the difficulty that if there are no children in the home adultery does not constitute an offence.

Hon. Mr. McMEANS: I may say, Mr. Chairman, that there have been within my own experience several cases of people living together as man and wife, having children of their own, and being looked upon in the neighbourhood in which they lived as married people. I can call to mind several cases of Englishmen who, finding it impossible to live with their wives, left England and came to this country with other women, with whom they lived as respectable married people. I remember on one occasion drawing a will for a man from England. One day he brought me a summons which had been served upon him, demanding support for his wife in England. I then learned for the first time that the woman with whom he had been living, and who had borne him children, was not his wife. I had to tell him that his will was no good. He had no idea in the world of committing any offence.

Very often amendments are made to the Criminal Code without any consideration being given to the effect they will have. I quite admit that it would be very improper for a man to live in a house with an immoral woman if there was a child there; but this section does much more than to deal with such a case. We should be very careful in amending the criminal law. Some countries have gone to great lengths. In several States of the Union adultery is punishable by imprisonment for two years. Fortunately, that has never been the law in Canada nor in England. I think this clause should be struck out.

Hon. Mr. DANDURAND: The clause goes much further. It says:

Every person who indulges in habitual drunkenness or any other form of vice, thereby endangering the morals of such child or rendering the home of such child an unfit place for such child to be in, shall be guilty of an offence and liable, upon summary conviction, to a fine not exceeding five hundred dollars, or to imprisonment.

53721—32½

Of course drunkenness is a dreadful vice, or disease, but I wonder whether it is fitting that it should be punished under the wording of this clause?

Hon. Mr. McMEANS: I quite agree with the honourable gentleman. The child can always be removed by the Children's Aid Society.

I would move that subsection 3 be struck out.

Hon. Mr. ROBINSON: Leave the old clause.

Right Hon. Mr. MEIGHEN: The old clause is amended by subsection 2. I do not like striking out a clause of this kind, but I really do not know how one can defend a clause setting up an irrebuttable presumption. The honourable senator opposite (Hon. Mr. Dandurand) calls attention to a case that is insuperable. It would be a terrible thing to legislate in this way. The father and mother would virtually have to abandon their offspring.

Furthermore, subsection 4 astonishes me, though I do not know that it could do any harm.

Then again, in subsection 6, which otherwise is a very good clause, there is surely an error. It says:

No prosecution shall be instituted under subsections two, three, four or five of this section—

and so forth. No prosecution could be instituted under any of those subsections except subsection 2. How could a prosecution be instituted under subsections 3, 4 or 5? It is absurd. When we come to subsection 6 I shall move to strike out those words.

Hon. Mr. DANDURAND: Perhaps it would be as well to eliminate section 3, and next year have the Department of Justice bring in a clause that would be—

Right Hon. Mr. MEIGHEN: Better thought out.

Hon. Mr. ROBINSON: Strike out the whole of section 3.

Right Hon. Mr. MEIGHEN: Subsection 3 of section 3.

Hon. Mr. BLACK: The whole of section 3.

Right Hon. Mr. MEIGHEN: Subsection 3 of section 3.

Hon. Mr. DANDURAND: But what about subsection 2?

Right Hon. Mr. MEIGHEN: I do not see any objection to that. It enlarges the definition of the offence, and it seems good to do so. It may enlarge it too much, but I would not support an amendment to strike out anything more than subsection 3. It seems to me that subsection 4 is pretty dangerous, but 3 is the worst.

Hon. Mr. DANDURAND: What about subsection 2?

Hon. Mr. GRIESBACH: Strike out the words "in adultery, or."

Right Hon. Mr. MEIGHEN: That is all right, because it says:

—thereby endangering the morals of such child or rendering the home of such child an unfit place for such child.

The case the honourable gentleman opposite (Hon. Mr. Dandurand) brings to our attention would not come within subsection 2 if it stood alone, because no one would say that a child's morals were endangered by its living with its parents.

Subsection 3 was struck out.

On subsection 4—not a valid defence that child too young to understand:

Right Hon. Mr. MEIGHEN: That is a very extreme provision, but we can let it go, I think.

Subsection 4 was agreed to.

On subsection 5—definition of "child":

Right Hon. Mr. MEIGHEN: This is very extreme, too.

Hon. Mr. McMEANS: I do not know who it is that wants these clauses. I have always felt that proposals of this kind should go before a committee so that we could hear evidence in support of them and could learn who was requesting them.

Right Hon. Mr. MEIGHEN: No doubt they come from children's aid societies.

Hon. Mr. McMEANS: If we were to pass all the legislation that is requested by some of these societies none of us would be out of danger.

Hon. Mr. DANDURAND: The Senate has been very chary about accepting amendments of this kind.

Hon. Mr. McMEANS: The late Senator Ross took a very great interest in all legislation affecting the Criminal Code. I remember one occasion upon which he was instrumental in inserting a very beneficial clause in a Bill amending the Code. Some welfare

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organization had succeeded in getting a provision inserted raising the age of consent, and imposing one of the heaviest penalties known to the law upon any man having sexual intercourse with a girl under that age, even though she were a common prostitute. All she had to do was to prove that there had been sexual intercourse between herself and the man, and he immediately became liable to this extreme penalty. Senator Ross suggested an amendment whereby the judge was enabled to instruct the jury that if they found the complainant either wholly or partially to blame they might acquit the accused. This did much to prevent successful blackmail.

Hon. Mr. GRIESBACH: This subsection is very similar to the old subsection 3.

Right Hon. Mr. MEIGHEN: Yes.

Subsection 5 was agreed to.

On subsection 6—at whose instance prosecution to be instituted:

Right Hon. Mr. MEIGHEN: I move to strike out the words "three, four or five" in line 32 of this section—they never should have been there—and to change the word "subsections" to "subsection."

The amendments were agreed to, and subsection 6 as amended was agreed to.

Section 3, as amended, was agreed to.

Sections 4 to 18, inclusive, were agreed to.

The preamble and the title were agreed to.

The Bill was reported, as amended.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

EXTRA-TERRITORIAL BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 74, an Act respecting Extra-Territorial Operation of Acts of the Parliament of Canada.

He said: As honourable members well know, Canada's extra-territorial jurisdiction dates from the passing of the Statute of Westminster in 1931. A new statute is necessary in order that extra-territorial effect may be given to Acts of the Parliament of Canada which were passed prior to that time, and in which it was clear, either by word or by implication,

that they were intended to have extra-territorial operation. This statute provides that the courts shall give extra-territorial effect to such Acts.

Hon. Mr. DANDURAND: I concur in the purpose which this Bill has in view.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

CANADA-NEW ZEALAND TRADE AGREEMENT BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 97, an Act to authorize the Governor in Council to agree to extend by proclamation the duration of the Trade Agreement made between Canada and New Zealand, dated the twenty-third day of April, one thousand nine hundred and thirty-two, as approved by chapter thirty-four of the Statutes of 1932, entitled An Act respecting a certain Trade Agreement between Canada and New Zealand.

He said: Honourable members, this Bill merely enables the Governor in Council to renew, if satisfied with the conditions of renewal, the existing treaty between Canada and New Zealand in matters of trade, and provides for the term during which such renewal may last.

Hon. Mr. DANDURAND: I have a vague recollection that the Government of Canada had the right, either under the terms of the treaty or by another agreement, to put a supertax on imports of New Zealand butter in excess of a fixed quantity. If my recollection is correct, can the right honourable gentleman tell us whether the right was exercised?

Right Hon. Mr. MEIGHEN: I know that powers which the Government of Canada reserved to itself under the treaty with respect to New Zealand butter have been exercised. I cannot describe those powers precisely, but I know the Government was entitled to place heavy, if not prohibitive, restrictions on the imports of New Zealand butter unless there was room for it in this country without the displacing of the Canadian product; and action was taken under that provision not very long ago. There are terms under which notice is to be given, and

so on. The Government of Canada has endeavoured to act in this matter in concert with the Government of New Zealand, and I think I can say that no friction has arisen between them.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

CANADA SHIPPING BILL

REPORT OF COMMITTEE

Hon. F. B. BLACK, Chairman of the Standing Committee on Banking and Commerce, moved concurrence in the report of that Committee on Bill C1, an Act to amend the Canada Shipping Act.

Right Hon. Mr. MEIGHEN: I think the House is familiar with the amendments made to this Bill by the Committee on Banking and Commerce. The Committee went very carefully into every section, and I think honourable members may depend upon it that the amendments have been given thorough consideration. I do not know that any particular amendment needs elaboration, but if any honourable senator wishes an explanation, the Chairman of the Committee or I will be glad to give it.

Hon. Mr. MURDOCK: The proposed new section 681E was designed to protect workers employed in loading or unloading ships against accidents occurring in connection with tackle, which includes machinery, gear, and so on, used on ships or ashore. The Committee has amended this section to make it apply only to tackle used on board a ship. In other words, I understand the Committee's opinion to be that protection is afforded to a worker who is injured by such apparatus on board a ship, but not to one who is injured ashore.

Right Hon. Mr. MEIGHEN: These sections were thoroughly reviewed, and I can tell the honourable senator that this amendment was submitted by the department after a great deal of discussion in committee. Apparently the workers on shore come under the provisions of local Acts, but on the water, of course, there must be Dominion jurisdiction. I am not at all implying that we could not legislate as to machinery used on shore for the loading of ships, but the department seems to be quite content that the workers on shore are already properly looked after.

Hon. Mr. DANDURAND: Under the Workmen's Compensation Acts?

Right Hon. Mr. MEIGHEN: Yes. This definition is wide enough to include machinery ordinarily kept on shore, but used on a ship for the purpose of loading or unloading, but it does not include machinery fixed and stationary on shore.

Hon. Mr. MURDOCK: The language used in the amendment would not protect a sailor who, in helping to load a cargo, happened to be injured on a wharf by a defective hoisting apparatus fixed on the wharf. The position taken by the Committee on Banking and Commerce has greatly surprised me. I am very sorry that I was out of town yesterday and could not attend the Committee's sitting. I was present for some time the day before that, hoping that the question I am now referring to would come up, but it was not reached when I had to leave. This matter, which has to do with possible injuries to workmen, has not, I think, been dealt with by the Committee as liberally as we in Canada have come to expect such matters to be treated. I think the Committee has been too narrow in its view of what is demanded in the year 1933 for the protection of workmen. My impression may be wrong, and if it is I apologize, but it certainly appears to me that the Committee has seriously mutilated sections 681A to 681E, inclusive.

Right Hon. Mr. MEIGHEN: Oh, no. Up to section 681D there is no change at all. That section is struck out, but the treasury, not the workman, suffers from the deletion. Rightly or wrongly—I am not saying which, but I have my opinion—we did not take power to assess the ships. The only amendment that could possibly affect workmen would be that to section 681E. There has been no general mutilation.

Hon. Mr. MURDOCK: The Committee struck out section 681D, so that ships will not have to pay the fees referred to there. I understand the right honourable gentleman's view is that if a workman were injured by a hoist on a wharf he would be protected under the Workmen's Compensation Act. But there would be no protection if the workman were a sailor who had stepped ashore from the ship.

Hon. Mr. WEBSTER: Oh, yes. There have been cases where sailors injured ashore have been compensated.

Hon. Mr. MURDOCK: There may have been special cases, but a sailor would not be protected under the Workmen's Compensation Act, especially when his ship pays no fee.

Right Hon. Mr. MEIGHEN:

Right Hon. Mr. MEIGHEN: The fee does not enter into this question at all. The Workmen's Compensation Acts are provincial measures, not federal. The sections preceding section 681D deal with inspection, and whether or not the Dominion Government assesses inspection fees against the ship has nothing to do with the question of protection under the provincial Compensation Acts. If the honourable senator will examine those Acts he will find that a workman is protected regardless of whether he is a resident of the province in which he is injured. I do not want to speak in too authoritative a manner on this subject, but I am confident that what I say is correct.

Hon. Mr. MURDOCK: A stationary hoist on a wharf is not covered by this Bill. If such a hoist swung around and struck a sailor standing on the deck of a ship, he would get no compensation.

Right Hon. Mr. MEIGHEN: I should think he would.

Hon. Mr. MURDOCK: I want to be corrected if I am wrong. Section 681D, as proposed by the Committee, reads:

The expression "tackle" as used in the four sections immediately preceding means the tackle, machinery, gear, apparatus and appliances used on board a ship for the loading or unloading thereof.

Now, that is not what was originally in the Bill.

Right Hon. Mr. MEIGHEN: I know that. But the honourable senator is confusing the two jurisdictions. We are defining only such tackle as is used on ships, and we have authority to inspect it. But we do not enter into any liability with respect to the workmen. The reason we draw the line against inspection of tackle on the shore is that such inspection is conducted by the provinces. The honourable gentleman asks whether there would be any compensation for a sailor who, while standing on the deck of a ship, was injured by a hoist that swung from the shore. I do not know whether there would be, but I say that it is a matter of provincial law whether a sailor so injured could be compensated. We are pretending, not to assume liability for injuries, but merely to provide for inspection. The Committee was informed definitely that in respect of machinery used on land there is provincial inspection; consequently, we do not insist upon duplicate inspection, which would entail duplicate costs.

Hon. Mr. MURDOCK: I see. But there are other points about this Bill that I do not understand. I should like the right honour-

able gentleman to tell me why in this year 1933 Canada is not willing to adhere to the draft convention which was adopted at Geneva, and which presumably was drawn up by persons who know far more about the subject than I do.

Right Hon. Mr. MEIGHEN: The honourable gentleman is wrong in implying that Canada is not adhering to the convention. That is just what we are doing.

Hon. Mr. MURDOCK: Then why disavow that by striking out reference to the convention?

Right Hon. Mr. MEIGHEN: Let me explain. The draft convention has been signed, but has not been approved. The resolution of approval has not yet been submitted to Parliament. Therefore the Committee thought it better not to imply approval, and struck out certain words. But the Bill is left in such a form that it contains all the clauses essential to be put into effect when the draft convention is approved. I hope the honourable gentleman will accept my word that in the committee I contended strenuously for the preservation of these clauses, and that I should have been glad to have his assistance there.

Hon. Mr. MURDOCK: Will the right honourable gentleman state that the draft convention does not say that the expression "tackle" shall include "all such articles whether on ship or ashore"?

Right Hon. Mr. MEIGHEN: It may.

Hon. Mr. MURDOCK: Then why did the Committee change the section to make it not applicable to such articles on the shore?

Right Hon. Mr. MEIGHEN: For the reason that the inspection ashore is now being done by the provinces. So long as there is governmental inspection in Canada the convention is complied with; it is not necessary that the Dominion Government should reinspect something already inspected by a provincial government.

The motion for concurrence in the Committee's report was agreed to.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

SENATE AND HOUSE OF COMMONS BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill E1, an Act to amend the Act respecting the Senate and House of Commons.

He said: Honourable members, I wish to move a slight amendment to the title of the Act, and would suggest that after the second reading we go into Committee of the Whole.

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

CONSIDERED IN COMMITTEE

On motion of Right Hon. Mr. Meighen, the Senate went into Committee on the Bill.

Hon. Mr. Webster in the Chair.

On section 1—lenders of money to Government:

Right Hon. Mr. MEIGHEN: This Bill was explained yesterday, and I am sure all honourable members are in favour of it. When we reach the title I shall move an amendment.

Hon. Mr. DANDURAND: When I purchase a Government bond it never occurs to me that I become a "contractor." I dislike the word; but of course it is used in the Senate and House of Commons Act.

Right Hon. Mr. MEIGHEN: That is the reason for its appearance in the Bill. I may say that the clause was drawn by the honourable member from North York (Hon. Sir Allen Aylesworth), and the House may rest assured that it meets the occasion.

Section 1 was agreed to.

The preamble was agreed to.

On the title:

Right Hon. Mr. MEIGHEN: I move that in the title the words "the Act respecting" be struck out and the word "Act" be added at the end. The title will then read: An Act to amend the Senate and House of Commons Act.

The amendment was agreed to, and the title as amended was agreed to.

The Bill was reported.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

The Senate adjourned until Monday, May 15, at 3 p.m.

THE SENATE

Monday, May 15, 1933.

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

Prayers and routine proceedings.

LOAN BILL

FIRST READING

Bill 103, an Act to authorize the raising, by way of loan, of certain sums of money for the Public Service.—Right Hon. Mr. Meighen.

PENSION BILL

FIRST READING

Bill 78, an Act to amend the Pension Act.—Right Hon. Mr. Meighen.

INDIAN BILL

MOTION FOR THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of Bill 21, an Act to amend the Indian Act.

Right Hon. Mr. GRAHAM: Honourable members, I am informed that when this Bill was before the House last week my desk-mate, the honourable leader on this side (Hon. Mr. Dandurand), asked for certain information. I presume my right honourable friend can furnish the information now.

Right Hon. Mr. MEIGHEN: Yes. The honourable leader on the other side questioned whether compulsory enfranchisement of the chiefs or leading men would not disintegrate or demoralize the band. He also desired to know whether on enfranchisement an Indian would share in the property—the land and funds—of the band.

As to the first question, it would never be in contemplation that a whole band should be enfranchised en bloc. In the selection of those who are to be enfranchised care is taken that nothing shall be done to injure the status of the band. The very fact that certain members have reached positions of independence indicates that it is a progressive band and that there are others not very far behind the leaders. Consequently the band will never lack internal leadership. If it were ever contemplated to enfranchise a whole band, it would have to be effected, I think, by a special Act.

On the second point, the general explanation I gave last Thursday was correct, but I can amplify it now. When an Indian is enfranchised he is entitled at once to his full share in cash of the funds of the band; also to the

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farm implements allotted to him. In addition he is entitled to the land he has been accustomed to farm. Therefore he remains within the area of the reserve. But he owns his land outright; he is a full fledged citizen. The reserves are laid out in sections and townships; consequently an Indian who becomes enfranchised and receives a patent of his land is able to get access to the outside world through the roads and lanes on the reserve without trespassing on the property of any member of the band.

Hon. Mr. HORSEY: Could an Indian dispose of his land to a white man?

Right Hon. Mr. MEIGHEN: There are, I think, no restraints on his powers of disposition; otherwise he would not be the owner.

Right Hon. Mr. GRAHAM: It is his land.

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. GRIESBACH: A reserve is square or rectangular in shape as a general rule. An Indian who wants to farm for himself is allotted the equivalent of a quarter-section. Suppose that quarter-section is in the centre of the reserve: from my general knowledge of Indian administration, I cannot agree that the enfranchised Indian, even if the land is deeded to him, can sell it; and I am pretty certain that an execution judgment against him could not be enforced. It would be contrary to public policy that an Indian should be allowed to sell a piece of land in the centre of a reserve. I suggest that my right honourable leader go into the matter a little more fully. I know Indians who are farming lands in the centre of their reserves, and, as I say, I think it would be contrary to public policy, and perhaps in breach of our treaty obligations, for us to make it possible for segments of a reserve to be alienated either by sale or execution.

Right Hon. Mr. MEIGHEN: I have no information that the full rights of citizenship are abbreviated when an Indian is enfranchised; but I do not like to be too positive on the point. The further memorandum I have received makes no reference to it. In his memorandum Mr. McGill, Deputy Superintendent General of Indian Affairs, states:

Each Indian is paid his per capita share of the band funds and is given a patent for the lands he occupies, where he remains undisturbed with all his former surroundings and friends. He is not driven away. The lands for which an Indian receives a patent cease, on such issue, to be a part of the reserve and become part of the municipality in which the reserve is situated. Some apprehension was expressed in the debate in the House of Commons as to the result of such a situation. It was described as making a checker-board of

the reserve. I may say, however, that such enfranchisements have taken place on the application of Indians from time to time during the last fifty years and we are not aware of any difficulties that have arisen in respect of that situation. The old established reserves where such enfranchisements are likely to take place are surveyed into lots and highways just as in a township. The occupants of these lots have access to the highways and can get about without disturbing their neighbours in any way.

Certainly the clear inference is that once the land is transferred to an enfranchised Indian it ceases to be a part of the reserve.

Hon. Mr. GRIESBACH: The land might be added to the municipality and be subject to taxation, but the municipal officials could not enter on the reserve and build roads, bridges, schoolhouses or anything else. I wonder how the municipality can tax the Indian when it is precluded from giving him any municipal services. The statement by the Deputy Superintendent General is certainly very clear and appears to deal with events that have happened. Perhaps I am merely behind the times.

Right Hon. Mr. GRAHAM: The honourable gentleman from De Lorimier (Hon. Mr. Dandurand) will be here to-morrow. Would my right honourable friend mind allowing the third reading to stand until then?

Right Hon. Mr. MEIGHEN: Not at all.

The motion for the third reading stands.

JUDGES BILL

MOTION FOR SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 84, an Act to amend the Judges Act.

Some Hon. SENATORS: Explain.

Right Hon. Mr. MEIGHEN: I do not care to say anything now except of a very general character. I do not know of any problem more difficult to deal with in the hope of producing an absolutely equitable result than the one attacked in the Bill now before us. As is well known, under the state of our law—and in this term I include our constitutional rights—judges of the higher courts of our country are appointed for life or good conduct, by virtue of the enactment of an Imperial statute. The abbreviation of their tenure of office is therefore not something that comes within the unrestrained purview of the Parliament of Canada. Our county courts are established by virtue of general powers vested by Imperial statute in this Parliament and in the provincial legislatures, and under those powers provision was made many years ago

that county court judges should retire from office and accept pension at the age of 75. Because of the different position occupied by the higher court judges, their retirement at a certain age cannot be effected by the same method that applies to county court judges. Consequently a condition of affairs has grown up—it is not a new condition, or one that has not existed before—under which, in some instances, the judges of our higher courts have continued to hold office after reaching an age at which normally the capacities of the individual are not at their best. While certain persons “by reason of strength,” to use the words of the psalmist, have retained their powers undiminished, others have not, and I am informed that there has been a persistent and general complaint that the present system has resulted in injury to the public service. The method adopted by this Bill for the purpose of remedying the situation cannot, of course, do entire justice to all. I have already conceded that there are instances of very extraordinary men who continue to perform their functions creditably and acceptably even after they have reached fourscore years; but as there are not a few instances to the contrary, the law must be general in character and must contain such provisions as appear in the Bill before us.

The Bill provides that judges shall be entitled to retire on full pension at the age of seventy-five, and that those who do not elect to retire at that time shall receive by way of salary no more than the amount of such pension. I am quite aware that honourable members of the House will have in mind certain valued members of the judiciary to whom it would seem unfortunate that this Bill should apply. I can only add that honourable senators should take a broad, general view of the entire problem and measure the totum of advantage or of good against the totum of disadvantage or ill. If they find the latter to outweigh the former it will be their duty, of course, to vote against this Bill. At the same time honourable members should decide whether there is any better way of attaining what is generally believed to be a desirable goal, always keeping in mind the interest of the public service.

Hon. C. P. BEAUBIEN: Honourable senators, I am grateful to the right honourable leader of the House for the manner in which he concluded his brief but clear exposition of this Bill. He said that if any honourable member should consider this measure objectionable from any angle or point of view he was free to follow his judgment and vote against it.

I have always been extremely proud of our Canadian judiciary, and never more so than when hearing men of high position in the United States laud the members of our Bench and express regret that in their own country they were not always as favourably situated in this respect as we in Canada. I have no doubt that with the possible exception of Great Britain there is no country in the world where the judiciary occupies a higher position than in this country. Great Britain in the past has gone through the experience of having "cheap" judges, and has found that experience a most costly one. The result has been that in England judges' salaries have been increased from time to time, until today they are from two hundred and fifty per cent to six hundred per cent greater than the emoluments of our own judges. The consequence of such marked increases in remuneration has been to render available the very best material for the building up of the judiciary of Great Britain, and the results in the maintenance of law and order in the social, industrial and financial life of that country have been most beneficial. Contracts and undertakings usually are faithfully kept, because contracting parties know that should they fail to respect the sanctity of their agreements the courts will see to it that the obligations are carried out. That explains why there are fewer lawsuits in Great Britain than in most other countries. And I think it will be found that the per capita cost of the administration of justice in Great Britain, despite the high salaries paid to the judges, is lower than elsewhere.

But I want to go back to our own judiciary. I feel I can say for all the provinces what can confidently be affirmed for the Province of Quebec. We have judges of the highest degree of integrity and ability, who perform their duties efficiently and devotedly. Because of the courageous stand taken by some of our judges, Canada has been protected from an invasion by bootleggers and racketeers operating amongst our neighbours, frequently, as we know, at the cost of life. The stay of these desperadoes in our country has been rendered rather precarious since four of them were hanged in one day by order of our great hanging judge, Hon. Charles Wilson, of Montreal. Considering the position which a judge should occupy in society, in order to inspire not only the respect but, as in England, the reverence of the masses, and considering the qualifications he must possess in a high degree for the performance of the work entrusted to him, I think that \$9,000 is far from being an extravagant salary. Perhaps everyone will not agree with this view, but

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personally I will go further and say that the salary is hardly adequate. I know of no members of the legal profession who work harder than the judges in the city of Montreal. It has always been a matter of surprise to me that lawyers with big practices should accept a judgeship. On one occasion I approached a lawyer of high standing in Montreal to ascertain whether he would be pleased to go on the Bench, and to my astonishment he assented. He enjoyed an income double or treble that of a judge, and I asked him why he would not hesitate to make such a material sacrifice. His answer was to this effect: "Well, I have been in the thick of the battle for years. If I become a judge I shall continue to live in the atmosphere of my own profession, and shall be peaceful and provided for during the rest of my days."

Well, honourable members, I wonder whether this Bill would not make it much harder to obtain suitable material for the maintenance of the high judicial traditions of this country. A judge's emoluments are not as high as they were years ago, if compared with the cost of living. Furthermore, in the last decade or so laws have been passed which make the tenure of judicial office much less secure than it used to be. In 1922 there was an amendment to the Judges Act which, it was contended, was required for the redress of some abuses. It provides that if a judge becomes incompetent to fulfil his functions, by reason of age or otherwise, the Minister of Justice may order an investigation, and if the judge is found so incompetent he can be deprived of his salary and forced to take his pension. In 1927 there was a further amendment to the same Act, providing that a federal judge would be presumed to be incapable of continuing his duties, and required to take his pension, on reaching the age of seventy-five. Remember, honourable members, that applied to judges who had been appointed for life. It was an arbitrary violation of a contract, and the following year Parliament recognized the injustice that had been done and declared that any judge affected by such amendment would be paid his full salary for the rest of his life. The case of the honourable Mr. Justice Mignault was particularly in the mind of Parliament at the time. Why did Parliament feel bound to make such reparation? Because it recognized that a contract had been made which obligated the State to respect the life tenure of office of each federal judge. But the present Bill decrees that similar life contracts with superior court judges must terminate when these judges reach the age of seventy-five,

because incapacity must be inferred from their age. Parliament recognized in 1928 that it had perpetrated an injustice the previous year towards the federal judges, yet we are asked to pass this Bill, which would work the same injustice towards the superior court judges.

If it is true that at the age of seventy-five a judge becomes incompetent, why not remove him by the application of the present law? As I have already said, in 1922 an amendment to the Judges Act was passed providing that if any judge is found, after investigation, to be incompetent, either from old age or any other cause, he can be constrained to leave the Bench and take his pension. Therefore I submit, honourable members, that the present Bill is not required. But there is more to be said. Why should litigants be deprived of the benefit of having their cases tried by judges of long experience who, no matter what their ages may be, are fully competent?

If this Bill carries, a number of judges in the Province of Quebec will suffer grievous injustice. I hesitate to name any of them. I believe, however, that the Bar of my province would, with few if any dissidents, hold that several of the judges falling under the provisions of this measure still possess some of the brightest legal minds in the country. If this Bill becomes law, judges not only in the superior court but in the court of appeals, men who have no peers in the profession, at least in Quebec, will have to step down from their high position, for presumed incapacity, although they are as bright and alert, physically and mentally, as they have ever been.

I repeat, the most striking feature of this measure is its crying injustice. The State should respect its contracts with individuals. If agreements with judges are violated, will not other lifetime agreements be treated in the same way? If we in the Senate do not protect other people against injustices, why should we be protected? Will it be considered that age brings about incapacity only on the Bench? We in the Senate should be particularly careful to see that contracts made by the State are faithfully observed.

The right honourable the Prime Minister of to-day denounced in eloquent and forcible terms the amendment of 1927, to which I have referred, as a violation of contract. That amendment applied only to the federal judges, over whom Parliament has direct authority. The present measure is equally vicious, and besides it deals with the superior court judges, over whom Parliament has no such control, except indirectly, through the payment of emoluments. Not only is the measure unjust,

but it is unnecessary, for, as I have already pointed out, there is now in the statutes a provision for the removal of an incompetent judge. May I read the law, so that honourable members may satisfy themselves that it is so applicable and effective? Of course, I understand that laws must be made for the good of the public as a whole, and that we must close our eyes to isolated cases of hardships resulting from an attempt to legislate for the general weal. But I want to emphasize that such an argument does not apply here, for there is not the slightest necessity for the Bill. The law which provides for the removal of an incompetent judge is keen and snappy. Section 28 of the Judges Act, chapter 105 of the Revised Statutes of Canada, 1927, says:

Any judge of the Supreme Court of Canada or of the Exchequer Court of Canada, or of any superior court in Canada, or any local judge in Admiralty of the Exchequer Court of Canada or any judge of a county court, who is found by the Governor in Council, upon report of the Minister of Justice, to have become, by reason of age or infirmity, incapacitated or disabled from the due execution of his office, shall, notwithstanding anything in this Act contained, cease to be paid or to receive or to be entitled to receive any further salary, if the facts respecting the incapacity or disability are first made the subject of enquiry and report in the manner hereinafter provided, and the judge is given reasonable notice of the time and place appointed for the enquiry and is afforded an opportunity by himself or his counsel of being heard thereat and of cross-examination of witnesses and of adducing evidence on his own behalf.

It is clear that the law as it exists at present is amply sufficient to force the withdrawal of a judge incompetent for any reason. Therefore I say this measure is not necessary.

Hon. Mr. PARENT: Move the six months' hoist.

Hon. Mr. BEAUBIEN: I do not intend to stress the further objection that if the purpose of the Bill is carried out the yearly cost of the administration of justice will be increased by some \$100,000 immediately, and by much more hereafter. But in my opinion the dominating question raised by the proposed legislation is this: Shall we remain free to choose the best material in the country for our judiciary? Will this be possible if year by year we amend the law and render the judges' tenure of office shorter and more insecure?

I think one serious objection to the Bill would be removed if it were made to apply to future appointments only. Then those who accept judgeships would do so with full knowledge of what is in store for them on their attaining the age of seventy-five years

But to make these provisions operative against present members of the judiciary is, I submit, a gross injustice which this House, at all events, should not perpetrate.

Hon. Sir ALLEN AYLESWORTH: Honourable senators, I regret that so important a measure should come before this House at such a late stage in the session, when many honourable members are not able to be present, and I hope that before the discussion on the second reading has ended, sufficient objection to the passage of the Bill may develop to induce the right honourable leader of the House (Right Hon. Mr. Meighen) to withdraw it.

So far as I can see, there is no urgent need for the Bill. In this connection I should like to call attention to the theory implied in the Bill, namely, that the judges who will be affected by it are, notwithstanding their age, perfectly competent to discharge the duties of their office. That is the necessary implication in the option which is given to each of them to remain on the Bench at a reduced salary. This state of things could not possibly be allowed to continue if there were real necessity for immediate retirement of the present occupants by reason of inefficiency. The Bill proceeds, not upon any principle, but upon the mere circumstance that a judge, no matter how efficient he may be, has reached the age of seventy-five years. I submit that this is utterly vicious, and that the passing of the Bill would be entirely detrimental to the public interest.

More than twenty-five years ago, when I was in charge of the Department of Justice, a very distinguished and very active member of this House came to me to discuss the idea of forcing judges to retire when they reached some given age—I think it was seventy.

Right Hon. Mr. GRAHAM: That is worse.

Hon. Sir ALLEN AYLESWORTH: The honourable gentleman, a lawyer, gave me instances in his own province—not the province from which I come—where in his opinion as a professional man the efficiency of an aged judge was so greatly impaired that his retention in office was a menace to the due administration of justice. I declined to entertain the idea. I argued it would be utterly wrong to attempt to establish an age limit which should apply to every judge; that it would be contrary to the true interest of the country and the proper administration of justice. It would be an attempt to standardize where standardizing is a natural impossibility. If a man were a mere machine, it would be all very well perhaps to standardize, but just so long as there is individuality in

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human beings it will be impossible to lay down any hard and fast rule to apply to all without doing grave injury to the true interest of the country.

We all know that many a man at the age of seventy-five is better fitted for doing intellectual work than his neighbour who may be only fifty years old. Then how is it possible to say to a body of men, who, after all, are only so many individuals, "You must retire from the Bench when you reach a particular age because, forsooth, the majority of men at that age have their intellectual faculties impaired"?

Another consideration which was suggested to me at the time I speak of, by one of my colleagues in the Government, the watch-dog of the treasury, the Minister of Finance, appealed to him perhaps more than it did to me. He said it would be a scandal to let any judge who was fit to do his work leave the Bench and walk around the streets, drawing his full pay for doing nothing, while the country paid his successor full salary for doing the work, simply because he was somewhat younger. Is that not true?

In the other Chamber the Solicitor General stated that fifteen judges would be affected by this measure if it became law. If they accept the alternative this Bill offers them, and retire upon pension, and fifteen other judges are appointed at full salary to do their work, the federal treasury will have to pay the fifteen retired judges at least two-thirds of their present salaries for doing nothing. At a time when we are being urged to sacrifice, when the Minister of Finance is looking everywhere to find something new to tax, when everybody is being taxed to death, we are calmly told that the country ought to have its permanent debt increased by some hundreds of thousands of dollars, as it would be if you capitalized the annual increase in cost which the passing of this measure would involve. I submit that the whole thing is utterly wrong in principle, in that it is impossible to fix for a set of men any given age at which their efficiency will be so impaired that they will no longer be competent to do their work.

On more than one occasion, twenty-five years ago, the honourable senator to whom I have referred repeated his arguments to me. I finally took the liberty of saying to the good old gentleman, "How do you think it would do to apply your plan to the Senate?" He was forced to argue, in order to be logical, that the position of a judge was far more important and carried with it necessity for a higher degree of intellectuality than the position of a member of Parliament. I differed with him then, and I differ with him now. I

think it is just the other way about. In my view the honourable members of this Chamber, whose function and duty it is to help make the laws of this country, have a responsibility at least equal to that of the judges on the Bench, whose duty it is to interpret the laws. Furthermore, under the constitution, in case of impeachment we are the judges of the judge. It is to this Chamber that the question would come for decision: Has the judge so misconducted himself that he ought to be no longer in office? I think I am justified in the position I have indicated, that there is certainly upon the individual members of this Chamber as much responsibility as upon the judges of our superior courts, if not greater responsibility.

I would direct the attention of honourable senators to this fact. We have, by actual count, nineteen members of this Chamber who have passed their seventy-fifth birthday. Eleven of those honourable gentlemen sit on one side of the House, eight on the other. I am one of the eight. Of course, I cannot ask anybody to express himself as to the fitness of the eight honourable gentlemen, but I will just remind you of what you all know—that among them are leading members of this Chamber. Then take the eleven old gentlemen who sit on the other side of the House, and again, if you look over their names, you will find among them some of our most distinguished and most active members. I am willing to put my case to my colleagues who sit beside me on this side of the House. Is there one of you who can say that of the eleven honourable gentlemen I have indicated a single one has so deteriorated intellectually by reason of advancing years that he is not perfectly competent to fill the position he now occupies?

The same thing is true of the members of the Bench, so far as I am acquainted with them. There are fifteen, it is said, in the Dominion. The numbers for each province were given by the Solicitor General. Six of them are in the Province of Ontario and one is in the Province of Saskatchewan. With each one of those seven I am intimately acquainted, and I may say that with each one of them I have had the privilege of lifelong warm personal friendship. I am content to say—not bold to say, because everybody knows it—that those seven men, the one from Saskatchewan and the six from Ontario, are to-day among the most learned, most efficient, most experienced and ablest judges in Canada. If we pass this measure it will mean that simply because each one of those men has passed his seventy-fifth birthday the country is to lose his services or he is to be

forced to take a salary substantially lower than that received by his most junior colleague. It is not fair, it is not reasonable, it is not in the interest of the country that it should be done. Speaking for myself, with no other personal interest in the matter than that of friendship, I protest against it and say that this measure ought never to have been introduced.

The only real argument or excuse offered in favour of it in the other Chamber just shows the danger of taking the first step. It was said: "We are going to do this because you did it. You have done it before, in the case of the federal courts—the Supreme Court and the Court of Exchequer; now we are going to do it in the case of the superior courts of the provinces." In exactly the same way, when the corresponding measure with regard to the federal courts in Ottawa was introduced and passed in the other House, it was said to be justified because the previous Government had done the same thing in the case of the county judges. That was what the honourable gentleman whom I alluded to wanted me to do twenty-five years ago—to start with the county judges, and, I suppose, to work upwards, just as has been done up to the present time, when we have the culmination of it all in the present Bill.

It is a very unpleasant thought that this is a step which no one would be willing, I suppose, to undertake to put into force by direct enactment. At any rate, this Bill does not pretend to say that every judge who completes his seventy-fifth year must immediately retire. It goes about the matter by a circuitous route, in a fashion which I cannot help saying is unworthy of Parliament. It is just the same kind of whipping the devil round the stump that we had a year ago in the matter of reducing the judges' salaries, or of putting upon them instead an extra ten per cent tax. I protested against that a year ago, and I cannot help protesting again, because I think that if the present measure simply enforced immediate resignation very few indeed would be found willing to support it.

A great many people think, and after reading the remarks of the Prime Minister in the House of Commons I cannot help forming the opinion that he thinks, that the salary we pay to our judges is a matter of contract and that the lowering of that salary would be a breach of contract as between the individual judge and the Parliament of Canada. I am not willing to say that I think otherwise. But I do not like putting it upon that ground. It may be that in many respects the appointment of a judge or his acceptance of office is in the nature of a contract on his part to serve

and on the part of the Government to pay. But even if there was an absolute contract, we have never, I think, known an instance where the individual judge would object to having the contract varied by an increase in the amount of the salary. At any rate, there has been repeated agitation to secure an increase of salary for the judges, and if there is a sacred contract that cannot be broken on either side, I do not very well see how anyone could support a change in the way of increasing the salary, any more than in the way of diminishing it.

But whether or not there is any actual contract as to salary, I do say that it would be nothing else than a breach of good faith on the part of Parliament to make this Bill apply to judges already appointed. Every man who is offered a position on the Bench has necessarily to consider seriously the consequences of accepting such an offer. We are often told that the salaries now paid our judges are much too low; that it is impossible to get the best of the practising lawyers of the country to take judicial positions, simply because all, or many of them, are making annual incomes much larger than their salaries would be. I think that is probably true as to the amount of income in comparison with the amount of a judicial salary. But I would point out as a countervailing circumstance a factor which to my personal knowledge has been the determining influence in the case of many a man who has accepted a judgeship at a considerable pecuniary sacrifice. I refer to the retiring allowance. There is provision for old age which has always been regarded as a contractual obligation on the part of the Government or of the Parliament of Canada. That provision was in existence, I fancy, before any of us were born. At any rate, it was on the Statute Book before I had any personal knowledge of the statutes of the country, and has remained ever since. Over and over again, that retiring allowance has been looked upon as a material part of the judicial remuneration, as compensation to a judge for accepting a salary lower than he otherwise clearly would have been entitled to. How, then, can you say to a man who has been serving on the Bench for ten, fifteen or twenty years, "You retire now or your salary for the future will be reduced to the amount which you would have been entitled to receive as a pension if you had retired some years ago, when you reached the age of seventy-five"? You are simply making an inroad upon the pension which the statute provided at the time the judge in question accepted his judicial position. At the close of his judicial career you are taking from him the very inducement

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which you held out to him fifteen or twenty years ago as a reason why he might serve for years at a greatly reduced salary. That, it seems to me, is an utter breach of good faith. So strongly do I feel upon this point that I intend to move in committee, if this measure receives its second reading, an amendment to make this legislation applicable only to future appointments. There will be no bad faith about it if there is a provision like this on the Statute Book when any proposed appointment is under consideration by a man to be appointed; he will know exactly what are his prospects in a financial way, and he will be able to make his decision accordingly. But if the Bill is to be made to apply to judges who have already earned their full statutory pension—to those who are entitled to it as a matter of deferred salary—I say it constitutes, if not an absolute breach of contract, at any rate a breach of good faith.

I want to mention one other evil effect that this legislation would have. If it passes in any form it will create two distinct classes of judges on the Bench—those who have reached seventy-five and those who have not—and will discriminate between those two classes in the matter of remuneration. I think that any discrimination of that character is a bad thing and ought never to be permitted if it is possible of avoidance.

And let me point out just one thing more, as to how this measure will work in actual practice. It will give to each judge who has attained or may attain the age of seventy-five years the option of continuing in office or retiring upon a certain pension. Well, who is going to accept the option of continuing to serve at the reduced amount except a judge who can afford to do so? It will depend on the circumstances of the individual judge. A judge who is a wealthy man of himself, apart from his salary, or who happens to have married a wealthy woman, or whose children are all well-to-do, or away from home and doing for themselves, can afford to accept the reduced pay. And that is exactly what such a man will do. He will snap his fingers at this legislation and will decline to give to those who are proposing it the satisfaction of seeing him forced off the Bench. But the poor man who has given his life to the service of his country, and who at the age of seventy-five is unable to support himself otherwise than upon what he receives from the Government, will be forced off the Bench by reason of this reduction in salary. That means discrimination of the very worst sort, and will be the necessary effect of this legislation if it passes.

Hon. JAMES MURDOCK: Honourable senators, someone—do not ask me who it was

—has said, "Consistency, thou art a jewel." For years we have had on the Statute Book a law which prohibits a member of the Board of Railway Commissioners from continuing in office after he is seventy-five years of age. Not long ago a very distinguished member of the Railway Commission was removed because he had reached that age.

Let us come nearer home and consider what happens to employees of the various departments of the Government service. For some years past the rule has been, and so far as I know it still is, that if a Minister desires to retain the services of a particularly valuable employee who has reached the age of seventy years, he must go through a certain procedure, including the making of a requisition, and even when this is effective the employment is extended only one year; so the same procedure has to be gone through year by year so long as the Minister wishes to retain that employee. And employees of both the great railway systems of Canada are usually retired automatically at the age of sixty-five years. There are some exceptions to this rule, extensions being sometimes granted for one year or, if an employee is particularly efficient mentally and physically, for two or three years.

From both sides of the House this afternoon we have heard eloquent pleas on behalf of a few brilliant and capable gentlemen who were chosen to adorn the Bench of Canada and who, after serving for fifteen, twenty or more years with credit to themselves and the country, have now reached the age of seventy-five. This is five years more than the allotted span of life as set out in Holy Writ. We are told that it is a deplorable thing to take these men out of service merely because of their age and say to them—to use a railroad term: "Go on spot for the rest of your life. You will have five, six or seven thousand dollars a year coming to you because of the regard of the people for the worth and ability that you have displayed in the service of Canada." How terrible, how cruel, is such a proposal as we have heard it described on both sides of this Chamber!

My good friend who sits directly opposite me (Hon. Mr. Beaubien) states that this Bill is unnecessary, because, if a judge is alleged to be physically or mentally incapacitated, a Royal Commission or some other investigating body can be set up and can decide whether the allegation is well founded. But what a cruel procedure that would be, to take a distinguished judge who has served his country well for many years, and who believes himself to be as competent as ever, and subject him to an inquiry into his fitness.

Some people believe that certain other persons, who have not reached anything like the age of seventy-five, are incapable of carrying on the work they are doing. It is often a question of the point of view. Any judge who was subjected to such an inquiry as provided for by the present law would be regarded from one end of Canada to the other as incompetent.

The honourable senator from North York (Hon. Sir Allen Aylesworth) contended that this measure would result in the violation of contracts. But does not the passing of time bring about different conditions and necessitate the changing of arrangements? In this age of technocracy there are, it is said, approximately one million persons unemployed in Canada. A number of them who, as I happen to know, have spent a good many years and a great deal of money in the acquirement of legal knowledge and experience, are not doing very well to-day, some being almost as badly off as many of our railroad men and other citizens are.

The provisions of the Bill are logical and consistent, and, I think, in line with all comparable regulations of which we have knowledge, in Canada or elsewhere. The proposal is simply that judges who have served their country well and have attained to the age of seventy-five years will be "placed on spot" with a substantial salary for the remainder of their lives. It seems to me, though I may be entirely wrong, that some of the objections that have been raised to the measure here have their root in the thought that if we agree to this proposal concerning the judges we shall be compelled later on, for the sake of consistency, to take a similar stand with respect to members of the Senate. I am willing to vote right now for a similar provision applicable to all who have become members of this Chamber since the 1st of March, 1930. I believe the people of Canada would approve of such a measure. In saying this I am not opposing in any way the remarks of the distinguished senator from North York as to honourable members on both sides of the House who have reached or passed the age of seventy-five years. I believe that as surely as I am standing on my feet just now the time is coming when we shall have a regulation, similar to the one proposed in this Bill, applicable to members of the Senate. I repeat that I am ready to vote right now for such a regulation, applicable to all who have become senators since the 1st of March, 1930—the others, we should hope, being spared to reach a good old age in the service of the public.

The people of Canada, from one end to the other, are interested in this Bill, and I believe that if they were consulted they would be in favour of it. I certainly am.

Hon. G. PARENT: Honourable senators, I am very much surprised at the remarks of the honourable senator from Parkdale (Hon. Mr. Murdock), for as a rule he is opposed to the incurring of large expenditures. He favours the retirement of a number of judges, which would necessitate the appointment of others to take their place and, in each such instance, the payment of \$16,000 a year instead of \$9,000. As the honourable senator from North York (Hon. Sir Allen Aylesworth) has stated, the increased expenditure resulting from this Bill would represent, if capitalized, a sum of hundreds of thousands of dollars. I would suggest to the honourable senator from Parkdale that we cannot make a fair comparison between judges of the superior courts and railway commissioners or deputy ministers. When a railway commissioner or a deputy minister joins the service of the Government he knows exactly what the conditions of his employment are and when his tenure of office will expire. But it is different with the judges.

In my opinion this Bill is inherently wrong. As I listened to the right honourable leader of the House (Right Hon. Mr. Meighen) when he introduced the Bill I felt that he could, if requested, have made a much stronger case against it. It struck me that the presentation of such a measure was a rather painful duty for him. On the other hand, I was much impressed by the remarks of the honourable senator from Montarville (Hon. Mr. Beaubien). I think he covered the ground thoroughly; all the reasons that would appeal to the legal mind on this question were given by him. If he overlooked anything, the honourable senator from North York (Hon. Sir Allen Aylesworth) has made good the omission.

Therefore it is unnecessary for me to say much on the Bill. Nevertheless, I must state that what it proposes would work a great injustice. Many able judges are on the Bench because they were requested, some of them very strongly, to sacrifice their professional practice in order that the best possible judgments might be rendered the litigants of this country. These judges have been appointed for life, and most of them remain capable as long as they live of fulfilling their duties. On what principle would the Government of Canada be acting if it were to say to some of these men, "You must retire from your position, or, if you refuse, you will be paid only the same remuneration as if you had retired and been pensioned"? Under this

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Bill, although most of the judges who have passed the age of seventy-five years are still highly capable, they would have their salaries cut by about one-third, even if they continued to perform their duties.

In our own province of Quebec we have a number of eminent judges who are more than seventy-five years old. One of these, if I may mention a name, is the Chief Justice, Sir François Lemieux, who is now eighty-two. He has had a long and fruitful career. The lawyers who know him realize that no judge has devoted more time and energy to the dispensing of justice than he. On many occasions when younger judges found it necessary, owing to illness, to take a vacation, Sir François was ready to substitute for them, and he always did so with a great deal of satisfaction to all concerned. Not long ago, after a vacation, he returned to his heavy duties. How many other able judges over seventy-five there are throughout Canada I do not know, but we are all familiar with the name of one other whose reputation is nation-wide. I refer to the Chief Justice of Ontario, Sir William Mulock. I am told there are many others who are quite capable of continuing to carry on their work, but who will be affected by this Bill. If this be so—and I have no reason to believe that it is not—this measure is nefarious, for it commits an injustice towards these men. I do not believe it would be right to confirm what the House of Commons has done and pass this Bill, and therefore I intend to vote against it.

As the honourable gentleman from Montarville (Hon. Mr. Beaubien) has stated, the present law provides a means for the retirement of judges who are found to be incompetent. So long as a judge retains his capacity, his contract with the Government should be respected. In any event, as the honourable senator from North York (Hon. Sir Allen Aylesworth) has suggested, we should not make the Bill retroactive, but, if we pass it, should limit its application to judges appointed in the future. If this were done there could be no charge of violation of contract, for a judge, on accepting his position would know that he was to be retired on reaching the age of seventy-five.

Right Hon. G. P. GRAHAM: Honourable senators, I hope I may not be considered an intruder if I make a few remarks on this Bill from the point of view, not of the Bench or the Bar, but of an ordinary individual who, according to this measure, is approaching the age of imbecility. We are told that this is the day of the young man. But the young men have not been making a very great

success of the business world since they took charge of it. They certainly did their part in the War, and ever since then the cry has been for young men in business. Well, it is now coming to be believed that a little experience is valuable. In the newspapers every now and then we read that men of mature years are being consulted extensively on the present affairs of the world. Indeed, the leaders in some European countries would be disqualified because of old age under a measure of the kind that we have here.

I hope honourable members will pardon me if I refer to this Bill as a pussyfooting measure. I mean that the object is to push through the back door something that the Government would not dare push through the front entrance.

I am not going to worry my good friend from Parkdale (Hon. Mr. Murdock) by suggesting that the Railway Commissioners are not worthy of larger retiring allowances, but I would remind him that those gentlemen are appointed for a term of ten years. On the other hand, judges, like the members of this Chamber, are appointed for life. I do not think there would be an overwhelming vote to change the life contract with any honourable members. My honourable friend went back to 1930. I do not know whom he is referring to, but I am glad he selected the first of March, because that allows me an additional leeway of a year; my birthday is on the 31st of March.

If the Government believes that legislation should be enacted to retire judges for certain reasons, I submit that the necessary legislation is already available.

An Hon. SENATOR: Where?

Right Hon. Mr. GRAHAM: My honourable friend from Montarville (Hon. Mr. Beaubien) cited the statute which provides that if after investigation a judge is found to be inefficient he may be retired. If the Government believes that this should be done, let it face the issue and put this machinery into operation and retire a judge from the superior court, or even from the Supreme Court, when he becomes incapacitated. But I am opposed to an arbitrary age limit, notwithstanding Scripture, which my honourable friend may not have correctly interpreted. Some of our brightest minds, men on the Bench, in the professions, and in public life, have passed the Scriptural limit of three score years and ten and still are able not only to advise others, but to act as very competent executives themselves.

Now, this Bill leaves it to the discretion of a judge whether he shall retire at seventy-five

years of age. If a superior court judge is not fit to sit on the Bench, then he should be compelled to retire. There, to my mind, is the real point at issue. He should not be allowed to remain in office simply by sacrificing \$3,000 a year to the exchequer.

I should perhaps be prepared to go some distance in the direction of this Bill, but I am absolutely opposed to it on two grounds. First, the Government is seeking to do indirectly something that it has not the courage to do directly, and we become party—I do not want to be offensive—to the subterfuge. In the second place, although it is implied that after attaining the age of seventy-five years a judge is incompetent to discharge his duties, he is permitted to continue in office by sacrificing \$3,000 a year.

Hon. Mr. GRIESBACH: Honourable members, a number of very interesting points have been raised this afternoon that were not raised in another place. It seems to me we should be given an opportunity for further consideration of the Bill, and therefore I move that the debate be adjourned.

The motion was agreed to.

CUSTOMS TARIFF BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 93, an Act to amend the Customs Tariff.

He said: This is not a Bill in respect to which the House can exercise its full powers, but honourable members are entitled to detailed information before passing upon it. I am prepared now to make such a statement as may be deemed adequate, or to wait until the committee stage. Ordinarily we should go into Committee on the Bill, but, as it is a measure to amend the customs tariff, it would seem to be hardly worth while to debate the individual clauses. However, I am in the hands of the House as to the course to be pursued.

Right Hon. Mr. GRAHAM: What is the general purport of the Bill?

Right Hon. Mr. MEIGHEN: It has to do with the fixing of exchange for valuation purposes. It amends certain schedules, thereby altering the duties imposed. The schedules are appended to the Bill. They cover about six pages.

Right Hon. Mr. GRAHAM: Is there anything about the gold standard?

Right Hon. Mr. MEIGHEN: No, there is nothing about the gold standard; otherwise its explanation might take a considerable time.

Perhaps the only clause the House will care to discuss is the first. No explanation appears upon the Bill, and therefore I will read the clause. This is the addition to the present Act:

(9) (a) Notwithstanding the provisions of any other law, the Governor in Council may, from time to time and as occasion requires, order and direct, subject to such exceptions as may be made, what shall be the rate of exchange fixed for any currency in computing the value for duty of goods imported into Canada from any place or country the currency of which is depreciated, and in case a sum in Canadian currency less than the invoice value of the goods in the currency of the place or country of export, computed at the rate of exchange so ordered, be paid for the goods, the actual selling price of the goods to the importer shall be regarded as less than the fair market value of the goods when sold for home consumption, and the provisions of this section shall apply and special or dumping duty shall apply equal to the difference between the value of the invoice computed at the current rate of exchange or at the average current rate from time to time fixed by order of the Governor in Council, and the value of such invoice, computed at the rate of exchange for duty so ordered as aforesaid, or may be less than such difference as the Governor in Council may from time to time order and direct—

—and so forth.

In substance it is in effect now and has been for many years. It is an addition to, and in some degree a restatement of, the power of fixing value for duty purposes of goods imported from countries whose currencies are depreciated in relation to our own. As honourable members are aware, unless this is done the major effect of the application of the tariff to such imports is entirely nullified; in fact in many cases it is more than nullified and the result is really that there is a bonus on importations as against the Canadian producer. These problems have arisen owing to the disturbed state of world exchanges. They have to be met, and, in part, they have been met from time to time. So far as this section is concerned, it is merely an adjustment to meet the conditions that have more lately arisen.

The main part of the Bill consists of the customs tariff amendments as passed in the other House. Relatively to the whole tariff the amendments are not numerous, but were this the House of Commons, consideration of these amendments item by item would constitute a formidable task.

Hon. Mr. McLENNAN: That part of the section in relation to sales or consignments of goods imported when importer and exporter have joint ownership or operate under a holding company is new, I believe.

Right Hon. Mr. MEIGHEN.

Right Hon. Mr. MEIGHEN: It is new as far as I know.

Hon. Mr. McLENNAN: It will mean extra revenue and is therefore a good provision.

Hon. Mr. McRAE: What is the reason for the retroactive feature in paragraph c?

Right Hon. Mr. MEIGHEN: This is the law as it has been applied, and it is sought to confirm and legalize the application.

Hon. Mr. McRAE: It is not the intention to revalue?

Right Hon. Mr. MEIGHEN: No.

Right Hon. Mr. GRAHAM: Action is by Order in Council, not by a single minister?

Right Hon. Mr. MEIGHEN: Order in Council.

Right Hon. Mr. GRAHAM: That is an improvement. Will the new Tariff Commission have anything to say as to these changes?

Right Hon. Mr. MEIGHEN: Yes, the Commission will have everything to say in so far as relates to further changes.

Right Hon. Mr. GRAHAM: Not retroactively?

Right Hon. Mr. MEIGHEN: Not retroactively. I see many items are made free.

Right Hon. Mr. GRAHAM: Of course, we are perfectly at liberty to discuss the details of any measure for the benefit of the country at large. I think quite often we should do well to discuss certain measures, even if we did not feel at liberty to alter details to any great extent. I find as I travel around that the public are paying a good deal of attention to the debates in the Senate. Sometimes we miss an opportunity of placing our views before the country, simply because of our reluctance to discuss matters which some person thinks are not within our purview. It has been the practice, of course, not to review tariff bills unless they contained something of particular interest that we felt ought to be discussed.

It strikes me that the chief objection to the Bill is that it is nearly all in one sentence of fifty-five lines. With my limited education, it is beyond me to follow intelligently the predicates, adverbs and adjectives to find out just what this long sentence implies. I wish the gentlemen who draft our laws would keep their sentences within such bounds that the intellect of the ordinary person could grasp the meaning of their language.

Some Hon. SENATORS: Hear, hear.

Right Hon. Mr. MEIGHEN: I may say that in this long list of six pages everything under the British Preferential Tariff is made free, except a certain kind of woven fabric not made in this country, but imported in the web, belt pulleys, peroxides of hydrogen, and electric light and arc carbons.

Right Hon. Mr. GRAHAM: Would that be in accordance with the agreement made at the Ottawa Conference?

Right Hon. Mr. MEIGHEN: I think those agreements were implemented earlier.

Right Hon. Mr. GRAHAM: Some of them were, I think.

Right Hon. Mr. MEIGHEN: A certain class of spectacles is also subject to duty under the British Preferential Tariff. With those trifling exceptions everything under that tariff is free.

Right Hon. Mr. GRAHAM: We have read a good deal in the press and listened to several speeches on what may happen between the United States and Canada in the way of a trade agreement. Of course, we can take with a grain of salt what we read and hear, but the trend seems to be toward the reduction of trade restrictions. Is my right honourable friend at liberty to give us any definite information, for example, as to the probability of a trade treaty being made between Canada and the United States before the coming Economic Conference meets in London? If so, what is likely to be in the treaty?

Right Hon. Mr. MEIGHEN: I will give the answer which I know the right honourable senator would give were our positions reversed—he a member of the Government and I opposite—although I know I shall not be able to give it with the same urbanity, nor is it likely to meet with the same acceptance. Whether or not anything of the character he foreshadows can be effected before the Economic Conference meets will depend a great deal on when it meets. I do not know that any definite date has yet been fixed. I anticipate that it would be next to impossible to have any such arrangement made in the meantime. As to what its character will be, if it is made, I must be equally indefinite. I can very confidently express the hope, however, that if such a treaty matures it will surpass in value and efficacy all similar efforts of days gone by.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

SPECIAL WAR REVENUE BILL

SECOND READING POSTPONED

On the Order for the second reading of Bill 95, an Act to amend the Special War Revenue Act:

Right Hon. Mr. MEIGHEN: I wish this Bill to stand. I have read very carefully the explanation as given to me and as appearing in the pages of the Bill, opposite the proposed amendments. Some of it is incomprehensible, and as it covers only half the Bill, I do not intend to proceed further with the measure until the information I have is supplemented and made adequate for our purposes.

The Order stands.

INCOME WAR TAX BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 96, an Act to amend the Income War Tax Act.

He said: This Bill in its relationship to this House is in the same category as the measure respecting customs; nevertheless I think I should give at this stage the explanation to which the House is entitled.

The first clause of the Bill amends the schedule which establishes the income tax of each person in Canada. I am sorry to say the amendment is upward. Honourable members will have no trouble in ascertaining what their income tax will be if they will just refer to their proper allocation in this schedule. As will be seen from paragraph B, the five per cent supertax on all incomes in excess of \$5,000 is retained. The tax on corporate incomes is increased, being now twelve and one-half per cent. The rate of tax applicable to corporations and joint stock companies which file returns consolidating their profits and losses with those of their subsidiaries is thirteen and one-half per cent. I think honourable members will readily see the reason for this. Take the case of a group of companies, one of which controls or owns the others. If all the companies in the group were to furnish individual returns, those that made profits would pay a tax, and those that did not make profits would pay no tax, but the losses of the companies that did not have to pay would not be deductible from the profits of those that did have to pay; there-

fore such a group of companies made composite returns, and the losses of the one company were deducted from the profits of the other. It is now provided that if such a course as that is adopted the tax will be thirteen and one-half per cent instead of twelve and one-half per cent.

Right Hon. Mr. GRAHAM: They may have smaller profits then.

Right Hon. Mr. MEIGHEN: Those groups within which there are companies making losses will be able to deduct those losses from their profits, by means of the composite return; but they will have to pay a tax of thirteen and one-half per cent.

Clause 2 of the Bill removes entirely the old provision that a man was a householder and became entitled to the exemption of \$2,000 if he came within either of the two definitions appearing opposite page 3 of the Bill. A man might be a bachelor, but if he chose to enjoy the luxury of a separate house he came within the definition and got the benefit of the \$2,000 exemption. It was not felt that such a man was entitled to this exemption merely because he chose such a way of living; so he is deprived of this privilege. A subsequent clause, which honourable members will find on page 4 of the Bill, makes certain, however, that any person who, to repeat the language of the second part of the definition—maintains a self-contained domestic establishment and who actually supports therein one or more individuals connected with him by blood relationship, marriage or adoption—

shall be entitled to the \$2,000 exemption.

Section 3 of the Bill repeals the exemption from income tax of military, naval or air force pensions. Income received from such sources is to be upon the same plane as any other income, and is taxable. Honourable members will recall that this plan has been adopted as a substitute for the original plan of making one who received a Government salary and a pension choose the one or the other.

Section 4 of the Bill reduces from \$2,400 to \$2,000 the exemption for married men and others who maintain establishments where they support blood relations. In the case of a single man or woman the exemption is reduced from \$1,200 to \$1,000. The allowance for each child or dependent relative is reduced from \$500 to \$400.

Section 5 reduces from \$1,200 to \$1,000 the exemption of the husband and wife who have each a separate income.

Hon. Mr. HORSEY: That \$400 exemption for dependents applies only, I suppose, where they are mentally or physically dependent?

Right Hon. Mr. MEIGHEN.

Right Hon. Mr. MEIGHEN: It applies to relatives who have to be supported, and, I understand, although I do not see the explanation here, only to the extent of the support given, with a maximum of \$400.

Section 6 is worthy of attention. It provides that the carrying charges on productive property the income of which is exempt from taxation shall be deducted from that exempted income. That is to say, where a company held by an individual has a block of tax-exempt bonds and the management of the company entails a certain amount of expense, a proportion of that expense shall be chargeable against the income from the tax-exempt bonds; the whole amount shall not be charged against taxable income.

Section 7 enables the Minister to annul a charge made by a company for salary, or the like, where in his judgment it has been given not for services rendered, but in order to reduce the amount of taxable income. Foreigners may own a Canadian company, and in order to conceal taxable profits they may pay themselves fantastic salaries and thus dodge the taxation. This provision will circumvent that subterfuge, to adopt the phrase of the right honourable senator opposite.

Section 8 eliminates the \$2,000 exemption to which a company previously was entitled before its income was taxable. This is a section to which perhaps some objection could be taken. The main objection to the abolition has been that it gives an undue advantage to a partnership or an individual competing with an incorporated company.

Then come the provisions as to the application of the five per cent tax on dividends paid in Canada in a currency which is at a premium in relation to Canadian currency. This tax does not apply in respect of tax-free Dominion bonds, nor to interest or dividends received by the provinces or municipalities. This section also imposes a five per cent tax on dividends received by foreigners in Canadian currency from Canadian properties or investments, but is not applicable to income received from the Dominion of Canada.

Right Hon. Mr. GRAHAM: Is that the section to which Great Britain objected?

Right Hon. Mr. MEIGHEN: Yes, and as a consequence, I presume, of the roar that was made, the bonds of the Dominion of Canada are exempt. I hope I have made myself clear.

Hon. Mr. HORSEY: Suppose the exchange on American funds should be one or two per cent, should we still have to pay five per cent?

Right Hon. Mr. MEIGHEN: Yes, according to the explanation given here.

Hon. Mr. HORSEY: Should we have the option of taking payment at par?

Right Hon. Mr. MEIGHEN: Apparently not. However, when we reach that happy stage we shall feel so elated that we shall not care what tax is to be paid.

There are further details. For instance, the Minister is given power to determine whether or not a man who lives part of the time in Canada and part elsewhere is a resident of Canada. A man may be a resident of Canada even though he lives in this country only two months of the year and spends the rest of his time travelling. He may have a home in one place one month and somewhere else the next month. There is no way in the world of bringing him within the express verbiage of a few sentences; so the Minister is given power to say whether or not he is a resident of Canada. Furthermore, a man is not allowed to set up a trust in Canada and have his trustee hold his investments. These are the more important of the explanatory or declaratory clauses affecting the two five per cent taxes.

The next paragraph is a very important one, and meets a very difficult situation. For example, the Canadian National Railways have very large issues in which the trust deed provides that the company shall pay any tax that may be assessed in respect of the income from its bonds. What was in contemplation, of course, was the ordinary income tax. Now, if that could be assessed against the company, we should not get it at all, because what the company pays we pay. And the words I have used as applying to Canadian National bonds apply to many others. The intention is that the person receiving income from these bonds shall pay the tax. Consequently we go so far as to say that

Every agreement for payment of interest or dividends in full without allowing any such deduction or withholding shall be void.

I presume this is within the powers of the Dominion, and if so, it is the best way to meet a difficulty.

Hon. Mr. McRAE: Is that not another violation of contract?

Right Hon. Mr. MEIGHEN: All taxation is, in a way.

Hon. Mr. McRAE: But does not the trust deed specifically provide that the company shall pay the taxes? And if we take the position that this is void, shall we not be causing the violation of contract?

Right Hon. Mr. MEIGHEN: There might be room for debate upon that; there certainly would be room for difference of opinion. At all events, the explanation I have given is correct, for it is the same as the one appearing in the Bill:

Subsection 9 of section 9B is to ensure that the tax is borne by the person entitled to receive the interest or dividends and not by the person who has to pay the interest or dividends.

The object is to endeavour to help the debtor as against the creditor, in these days when all the advantages, because of economic conditions, are with the creditor. In my position I have naturally more sympathy with this endeavour than perhaps the honourable senator from Vancouver (Hon. Mr. McRae) has.

Hon. Mr. McRAE: This is a big question just now, and I understood that it was a matter for international agreement. There is much discussion going on about helping out the debtor class, with which class I am entirely in sympathy, notwithstanding the right honourable gentleman's presumption to the contrary. We had an example of that in connection with the question of reducing the gold content of our dollar. I am entirely in sympathy with that.

Right Hon. Mr. MEIGHEN: But this would have nothing to do with that feature. This merely says that the tax that we are imposing must be imposed by the debtor. The constitutional point is that inasmuch as we have the right to tax, we have the right to say who shall be the ultimate person to pay the tax.

Hon. Mr. McRAE: Notwithstanding the covenant of the Canadian National Railways to the contrary, that they will assume the tax? If we prohibit them from doing that, shall we not be causing a violation of the covenant? We are now saying that the covenant of the Canadian National Railways is void.

Right Hon. Mr. MEIGHEN: I think that is correct.

Hon. Mr. LITTLE: For the sake of peace, order and good government.

Right Hon. Mr. GRAHAM: For the general advantage of Canada.

Hon. Mr. BALLANTYNE: Honourable members, I do not want to say anything about the point under discussion just now, but would refer to the clause that taxes non-residents of Canada five per cent on revenue derived from Canada. I cannot understand why the Government did not impose an income tax against the residents of all countries which levy an income tax on dividends payable by people of those respective countries

to Canadians. It would have been a very simple matter to do this, it would have been just to do so, and the Government would have received a very much larger revenue than it will under the present Bill. And we all know that the Government needs all the revenue it can get. I have never heard any sound argument against my proposal, which I have been pressing for a great many years.

Right Hon. Mr. MEIGHEN: This Bill puts it into effect.

Hon. Mr. BALLANTYNE: Not to the full extent that I was hoping for. This goes only part of the way, in putting a tax of five per cent on non-residents. I wanted an income tax to be applied, especially against our neighbours to the south, to the same extent as they tax us. If that were done, the Government would get twenty-five or thirty per cent in some cases, instead of five per cent. And that small taxation may have the tendency to prevent the flow of capital into this country. However, it is too late now to press my contention. I am not going to ask our leader to state any reason why the Government did not do as I suggested, although, I repeat, I know that to do so would have been only fair and would have brought to the exchequer a much larger revenue than the five per cent will.

Right Hon. Mr. MEIGHEN: I do not like the five per cent, and I should like twenty-five per cent still less. But, in common with my honourable friend, I should have preferred to see such a tax applied only against the countries that tax Canadians, and to the same extent. I presume the reason for the lighter tax is that we are still a debtor country which has to borrow money, while the United States is not. The country needs no longer to borrow abroad, and feels it can safely tax income payable to people outside its borders.

Section 10 provides for the taxation of undistributed profits of corporations, the object being to prevent the accumulating of profits which if distributed would increase the taxable incomes of the stockholders.

Hon. Mr. McRAE: Does that apply to all companies?

Right Hon. Mr. MEIGHEN: No. Section 11 provides for an exception.

The five per cent tax to which reference was made a little while ago does not apply to a company wholly owned abroad.

Section 12 provides for the deduction of a tax of twelve and one-half per cent on certain payments made to non-residents, and for the

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remittance of the deductions to the Receiver-General.

Section 13 provides for consolidated returns of income of corporations.

Section 14 provides for returns to be made by all debtors who are paying interest on any fully registered bonds or debentures. The information is required by the department so that persons who receive such interest may be more easily identified.

Section 15 provides for the identification of holders of bearer bonds, by compelling depositors of coupons or warrants to sign ownership certificates. The object is to make it possible to trace the real ownership. Even cases of deposit of bonds and warrants in a foreign country are provided for, and safeguards are erected to make sure that the ultimate recipients of the interest are identified and taxed in respect of that income. I am sure the honourable senator from Rigaud (Hon. Lawrence Wilson) will be delighted when he reads this section. I think it has been thoroughly worked out and is likely to prove highly troublesome to persons who have been concealing the ownership of bearer bonds in the past.

Hon. Mr. GRIESBACH: Is it the intention to trace back the ownership during the past fifteen years or so and prosecute the persons who are found to have been evading the payment of taxes on bonds?

Right Hon. Mr. MEIGHEN: The practice has always been to pursue the evader of income tax, and there is no reason why an exception should be made with respect to the holders of bearer bonds.

Then there are provisions for delivery of these ownership certificates to the Minister, for penalties in cases of failure to collect or withhold, for failure to remit and for failure to complete ownership certificates.

Section 17 provides for interest on increase of the tax:

Interest on the increase of tax imposed by sections one, eight and thirteen of this Act on corporations for the fiscal period ending in 1932, shall commence to run from the thirtieth day of April, 1933.

That interest is at the rate of six per cent. The remaining four sections, numbers 18, 19, 20 and 21, have to do with the date at which the various sections of the Act come into effect. They become effective at varying dates for appropriate reasons.

Right Hon. Mr. GRAHAM: Honourable senators, one of the difficulties about a new Bill of this kind is that few of the people who are called upon to pay income tax really un-

derstand what is required of them. The banks find themselves in a particularly difficult position, because as a matter of practice they have to make out various certificates. And sometimes they are not supplied with sufficient forms. One banker told me that he had received only a dozen, and that that number might be used up in one day if a few of his customers happened to be cashing coupons.

I have often wondered whether it was necessary to have so many forms and technicalities for the making of income tax returns. No doubt it is essential, in order that all kinds of persons may be reached, that the Income Tax Act should have many sections, but I have sometimes thought that it should be reduced to its essence for the benefit of the ordinary taxpayer. Think of the position in which a business man in Ontario finds himself. Even if his business is small, he has to make out federal income tax forms, with all their intricacies. I undertook the work in connection with my own little business and finally had to get a man to do it for me. Now the province has a business tax directed at accumulated profits, I think, and the business man finds it necessary to educate someone to understand that. Furthermore, the municipalities impose a tax. In other words, we have to pay three taxes on the one income. That is bad enough, but my criticism is not altogether against the amount of the taxation. The feature I am criticizing is the multiplicity of details and procedure with which we have to become acquainted in order to arrive at the proper amount of these taxes.

It has been suggested in the press that an arrangement might be made by the federal, provincial and municipal authorities for the collection of income taxes by one set of machinery and on the basis of one set of facts. That would be a godsend to taxpayers if it could be done, because the present method is very annoying. Even the smallest concern finds it is necessary nowadays to detail one person to keep track of the different items of taxation. I have only a few employees, and I must depute perhaps the best man in my office, an accountant, to spend weeks in discovering what taxes are payable. Such a system is an imposition on taxpayers, and I think it could be done away with if the different authorities made up their minds to have a combined collection of taxes.

Hon. Mr. BALLANTYNE: A short time ago I went into one of the leading banks in Montreal and inquired, merely for the information, what I should have to do if I deposited a cheque received from New York for interest payable there on a Canadian bond.

The banker said, "You would have to sign this yellow form certifying that you are the owner of the bond." That was perfectly clear and in keeping with our Income Tax Act. Then I asked what the procedure would be if I brought in a cheque from an American firm for a dividend, and the reply was, "You would have to sign this pink slip." I asked if the five per cent was collectible on a dividend from the States, and was told that it was not. I said, "I am sorry to differ with you, for I am quite sure that it is." But as the banker held a very strong view to the contrary, I left him with it. It is my opinion that the banks have not a clear conception of the Act at all.

Right Hon. Mr. MEIGHEN: There is a conference going on now, I believe, between officials of certain provincial governments and this Government with a view to trying to make some arrangement about the division of taxation. I will not express an opinion as to whether it is likely to succeed or not.

Hon. Mr. McRAE: For the purpose of having a clear and concise statement on the record, may I ask the right honourable gentleman to state the position with regard to taxation of a non-resident holder of Canadian bonds that are payable either in New York or London?

Right Hon. Mr. MEIGHEN: He is not liable to a tax unless his interest is payable in Canadian currency.

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

Right Hon. Mr. GRAHAM: I think that after our conversational discussion the House would be perfectly warranted in not asking that this Bill be considered in Committee of the Whole, but I suggest that my right honourable friend defer the third reading until to-morrow.

Right Hon. Mr. MEIGHEN: Very good.

POST OFFICE BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 98, an Act to amend the Post Office Act.

Right Hon. Mr. GRAHAM: On behalf of friends from Cape Breton I should like to ask my right honourable friend the reason for putting this extra tax on newspapers when the Government is getting so much revenue from radio licences.

Right Hon. Mr. MEIGHEN: If the right honourable senator were not himself a news-

paper man, I might talk on this subject even more plainly than I am going to. Talk of a tax on newspapers! I wonder do we realize that our newspapers are given a bonus out of the public treasury to the extent of over \$6,000,000 a year.

Hon. Mr. BELAND: In what way?

Right Hon. Mr. MEIGHEN: Loss in postage. This measure is intended to recompense the treasury to the gigantic extent of \$100,000 a year. The annual loss, as I have said, is about \$6,000,000. So we are a long way yet from the taxation stage. The Bill establishes a rate of four cents a pound in respect of newspapers in which the advertising is over fifty per cent of the entire contents of the paper. The Post Office authorities state that last year the loss on handling newspapers through the post was somewhere between five and six million dollars. I thought it was between six and seven million dollars.

Right Hon. Mr. GRAHAM: It would be nearer three or four million dollars—if it is as much.

Right Hon. Mr. MEIGHEN: It is two million dollars away from those figures yet.

Right Hon. Mr. GRAHAM: I should like to see the accountant's figures.

Right Hon. Mr. MEIGHEN: I do not doubt that we will all hold up our hands and cheer and say the newspapers are worth the money. At all events we had better do so while the situation stands as it is. I want to disabuse anybody's mind of the idea that we are taxing newspapers. They are sacrosanct.

Right Hon. Mr. GRAHAM: I must ask honourable members to suppose that I am not a newspaper man, but am merely speaking for some newspaper men. The reduction in train service has compelled many of the larger newspaper companies to send their newspapers by motor truck, except the few that are sent out of the country. I know of one case where, on account of the change in train service, the papers sent to a place which is only six miles distant from the office are carried several miles beyond their destination and have to be brought back to it on a late train. Naturally this reduces the number of subscribers in that particular section. In other places buses are being used instead of the mails. For instance, the Toronto papers, the Mail and Empire, the Globe, and the Star, are sent to eastern points by bus. I am speaking of places on the highway with which I am familiar. Formerly, when sent by mail, they were not delivered until two o'clock in the afternoon; now they are de-

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livered before ten o'clock in the morning. This is better for the subscribers, but it means a gradual withdrawal of revenue from the Post Office. Possibly the imposition of a higher rate of postage may further decrease that dwindling revenue.

I am glad my right honourable friend thinks the newspapers of Canada are in a state of wonderful prosperity.

Right Hon. Mr. MEIGHEN: I do not think so.

Right Hon. Mr. GRAHAM: I venture to tell him that to-day there are not five daily newspapers in the Dominion that are not in the red, some of them to a very large extent. If there were some way by which we could have communism, so that those newspapers making a lot of money could help those that are in the red, it would be a good thing for the newspaper world.

I am not objecting to the imposition of the higher postage; I am simply trying to point out the reason why the postal revenue has dropped. As I say, perhaps this proposed increase in postage rates may cause a further drop in revenue. I believe we could save \$100,000 in one or two other directions that would involve less hardship on those affected.

Hon. Mr. McRAE: Honourable members, I think the point taken by the right honourable gentleman from Eganville (Right Hon. Mr. Graham) has a great deal of merit. The majority of railway men in Canada and in the United States agree that railway rates cannot be further increased without a decrease in traffic. Such would appear to be the case in regard to the postage rates for the carriage of our daily papers. Every month we see an increasing use of trucks for the distribution of newspapers. From personal knowledge I can confirm what the right honourable gentleman has said about the financial condition of the daily newspapers of this country. Like every other business, they are having trouble, and perhaps they are not well prepared to carry this additional charge. If I understand correctly, the Post Office Department has a surplus, and under the circumstances it is not quite clear to me why the postage rates on newspapers should be increased. It does seem to me that, if I am correct, we might well go slow in putting any heavier burden on the newspapers, particularly in view of the fact that they are availing themselves more and more of the competitive service offered by motor vehicles.

Hon. Mr. McLENNAN: Has any provision been made for measuring the fifty per cent of advertising?

Right Hon. Mr. MEIGHEN: I presume it is done in a rough and ready way—but always on the right side. I do not want to be understood as intimating that my defence of the increased rates is on the ground that great wealth is being accumulated by our newspapers. I know positively that such is not the case. But I think this reflection is apropos. I have often felt that in the newspaper field, as distinguished from others, the profit-making power is too often in inverse proportion to the public service rendered. It is a field where apparently the wicked can flourish like the green bay tree, and where those that stand loyally by the vital and fundamental interests of the State do not get anything like an adequate reward. I am not speaking from any partisan standpoint. If the newspapers of this country were all of the character of that with which my right honourable friend opposite is connected, I should not be humming and hawing about any four-cent-a-pound additional rate. I can think of no newspaper basically more virtuous, unless possibly it be that controlled and edited by the honourable senator to my left who has just spoken.

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

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

Right Hon. Mr. GRAHAM: To-morrow.

COMMITTEE ON STANDING ORDERS

Right Hon. Mr. MEIGHEN: Honourable senators, with the leave of the House, because of the fact that the vacancy caused by the lamented death of Senator Bureau has not yet been filled, and because of the further fact that a quorum is necessary, I move:

That Honourable Senator Parent be appointed a member of the Standing Committee on Standing Orders, to fill the vacancy existing on the said committee.

The motion was agreed to.

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

THE SENATE

Tuesday, May 16, 1933.

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

Prayers and routine proceedings.

SUSPENSION OF RULES

Hon. Mr. SCHAFFNER presented the eleventh report of the Standing Committee on Standing Orders and moved concurrence therein.

Right Hon. Mr. MEIGHEN: Honourable senators, the adoption of the report involves the suspension, for the time being, of the rules, especially the rule as to public notice. I have not had opportunity to go into the Bill particularly, but so far as I have been able to learn, it contains no extraordinary clauses. Under these circumstances I do not intend to offer objection to the suspension of the rules; but I hope the House will not regard this as a precedent. I am confident that the Committee would not have recommended the dispensing with the usual notice unless it had felt that no public interest would suffer as a result.

The motion was agreed to.

PRIVATE BILL

FIRST READING

Bill F1, an Act to incorporate the Discount and Loan Corporation of Canada.—Hon. Mr. Marcotte.

SECOND READING POSTPONED

Hon. Mr. MARCOTTE: I would move, with the leave of the Senate, that this Bill be now read a second time.

Right Hon. Mr. GRAHAM: What is the purpose of the Bill?

Hon. Mr. MARCOTTE: It is a Bill to incorporate a group of people as a loan and discount company. I am asking that the Senate permit the Bill to be read a second time now so that it may be proceeded with if Parliament is not prorogued this week. I do not think any public interest will be injuriously affected, because the Bill, if it is proceeded with, will have to go to a committee of the Senate and to the House of Commons before it is finally passed. The applicants are just taking the chance that there may be sufficient time to deal with the Bill.

Right Hon. Mr. MEIGHEN: I am informed that the applicants have not paid the necessary fee. If that is so, we certainly cannot give it the second reading.

Hon. Mr. PARENT: I understand that the fees are being paid presently.

Right Hon. Mr. MEIGHEN: Will be paid presently?

Hon. Mr. PARENT: Are being paid presently.

Hon. Mr. BELAND: Are being paid presently—now.

The Hon. the SPEAKER: Unless there is some assurance that this formality has been complied with, the Senate cannot proceed further with the Bill.

Right Hon. Mr. MEIGHEN: If the honourable gentleman (Hon. Mr. Parent) has the right to do so, and is willing to give the House an undertaking that the fees will be paid, I will withdraw the objection.

Hon. Mr. PARENT: I take the responsibility of stating that the attorney for the promoters of the Bill has said that the money is to be paid to-day.

Right Hon. Mr. MEIGHEN: I do not think the honourable gentleman could go further than that, but it would hardly justify us in giving the Bill second reading.

Right Hon. Mr. GRAHAM: If assurance is given to the House in the proper form that the money has been paid, we can return to this matter later.

Right Hon. Mr. MEIGHEN: Oh, yes. I have no objection to that at all; but it would have to be the assurance of the honourable member.

Hon. Mr. DANDURAND: Usually the giving of such assurance has been limited to the Clerk of the Senate.

Right Hon. Mr. MEIGHEN: He says the fees have not been paid.

The motion for the second reading stands.

INDIAN BILL

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of Bill 21, an Act to amend the Indian Act.

Right Hon. Mr. GRAHAM: May I ask my right honourable friend whether he is sure that the Indians whom the Government proposes to enfranchise are really Canadian citizens? The reason for my question is that a few years ago a gentleman appeared at a meeting of the League of Nations at Geneva and, through one of the members of the League—it was Holland if I am not mistaken—lodged a protest on behalf of certain Indians whom he represented, stating that they were not citizens of Canada, but allies of Canada who had taken up residence in this country under certain conditions. The matter was of

Right Hon. Mr. MEIGHEN.

such importance that the late Sir Lomer Gouin and I had a conference with the representative of the Indians, and I cabled to Canada for some assurance in regard to it. The reply I received was very short, namely, that there was no real foundation for the contention. As to the endeavour to enfranchise these Indians, will the objection be raised in some quarters that they are allies of Canada and not Canadian citizens?

Right Hon. Mr. MEIGHEN: The remarks of the right honourable senator refer to the Six Nations Indians. They have advanced the contention that they are a separate nation living within the borders of Canada under the terms of a treaty made between their sovereign authority and the sovereign authority of Canada. This contention was taken to the courts, but did not meet with much success. I fancy it is pretty apparent that you cannot have one nation within another, living on property which is subject to the suzerainty of the other. The judgment of the courts undoubtedly was sound, and I do not think the League of Nations regarded the contention very seriously. In the absence of the honourable senator from De Lanaudière (Hon. Mr. Casgrain) I do not like to speak too authoritatively of the action of the League of Nations, but I think I may say it would take many Leagues of Nations to make a separate nation of the Six Nations Indians.

While on my feet I may add to what I said yesterday regarding the position of the Indian who owns land within the borders of a reserve and who becomes enfranchised under the statute. The question was raised whether such a man could sell that land without restraint—whether he could sell it to a white man, and, if so, whether such white man could then live on the land within the confines of the reserve. I expressed yesterday the tentative view that this could be done; that the enfranchised Indian would be one hundred per cent a citizen of Canada, without any abbreviation, and that he could buy and sell the same as any other citizen of Canada. That view is correct: he can sell to a white man or to whomever he chooses. The property is absolutely his own.

Hon. Mr. DANDURAND: Though I shall not contest the statement of my right honourable friend, I confess that it surprises me a little. I thought the reserves were maintained for the exclusive use and advantage of the Indians, and that no Indian could sell out to a white man. My right honourable friend makes the distinction that when the Indian who owns the property is enfranchised

he is freed from the regulations that up to that moment have prevented him from disposing of the land.

Bearing on the very principle of this Bill, there is a provision which I find it extremely difficult to reconcile, and as to the proper application of which I am very doubtful. It is the taking by the Government of authority to declare which Indians shall be enfranchised, even though they have not sought enfranchisement. I asked the right honourable gentleman whether he could indicate any general policy which would govern the department or the Superintendent General, but he has not answered that question. So I am still at a loss to know by what rule an Indian in a reserve will be selected by the departmental agent for enfranchisement. Will the individual Indian's qualification be decided upon the ground of his education, of his having progressed beyond the necessity for tutelage, or of his having shown in a general way, in his life and behaviour, that he is qualified to become a full-fledged citizen of Canada? It seems to me that considerable difficulty will be experienced by the board of three arbitrators whose duty it will be to draw a line between those who are considered eligible for enfranchisement and those who are not. On that board the Indian band will have one representative. I have tried to imagine what kind of plan could be evolved for the exercise of the authority that this Bill would give for the enfranchisement of Indians, and I confess that I am unable to see how the Government or the department could lay down a rule that would be satisfactory to the Indians themselves.

These people are our wards, the descendants of the original owners of the soil, and we have taken very good care of them. Comparisons are always odious, but there has been a kind of tradition throughout our country that we have been perhaps more liberal than the Republic to the south in the treatment of Indians. However, perhaps I am venturing on dangerous ground here.

I shall not oppose the third reading of the Bill. I shall patiently wait to observe its future effect, in the hope that we may not have to regret the step we are now taking.

My right honourable friend to my left (Right Hon. Mr. Graham) mentioned the Six Nations Indians, who claim to be independent. When I was at Geneva I wrote considerable correspondence with respect to them. I remember that the principal reason among the many reasons advanced by the department to prove that these Indians recognized themselves as subjects of the King was

the fact that they were given the privilege of voting in two general elections in the eighties, at polls established on their territory, and seventy-five or eighty per cent of them registered their votes for the election of a representative of that district to the Parliament of Canada. That, it seemed to me, was a clear admission that they recognized their status as citizens of Canada.

Hon. J. S. McLENNAN: Honourable senators, there is another point that I think ought to be considered in connection with this Bill. It seems to me that it would be in conflict with public policy to give an opportunity to white people to settle in the very heart of an Indian reserve. The reserves have been established for a good reason, and in my opinion they should be so administered that so long as their material prosperity is not interfered with, the tribal unity will be preserved as much as possible. It is obvious that if white people can purchase land in the centre of a reserve and go to live there, the effect will be deleterious to the general policy of this country in the treatment of our Indian wards.

While on my feet, perhaps I may be allowed to register the traditional protest made in this Chamber towards the end of each session. That protest is against the practice of sending a great deal of legislation to us when we have not time to give it full consideration. The practice has been followed so long as I have been in the Senate, and I have heard protests made by the honourable leader on the other side (Hon. Mr. Dandurand) and by predecessors of the right honourable leader of the House (Right Hon. Mr. Meighen). But nothing further has ever been done towards having all legislation sent to us in sufficient time. However, I am making this protest now for fear that otherwise there might be a gap this session in our usual procedure.

Hon. W. A. GRIESBACH: Honourable members, I was able to follow the right honourable leader of the Government in his explanation of the legal effects of this Bill, and I can see how one legal fact would lead to another. If an Indian is made a one hundred per cent citizen and is given title to land in the middle of a reserve, he becomes the owner of that land and should have the right to dispose of it. I am wondering whether sufficient thought was given to the practical side when the right honourable gentleman was instructed by the department in the legal aspects of the case. I should like to know whether, as a matter of fact, an Indian who had been enfranchised was given

a piece of land in the centre of a reserve and later sold it to a white man who is now living on it. And if that did happen, how is the arrangement working out?

Having been brought up among Indians, and possessing some knowledge concerning reserves, I agree with what has been said by the honourable gentleman from Sydney (Hon. Mr. McLennan) that our traditional Indian policy will be affected if a white man is allowed to live on a reserve, in a condition of absolute freedom, surrounded by Indians who are under tutelage. A white man has the right to purchase whiskey and drink it on his own premises, but the Indian Act forbids the taking of liquor into a reserve. It is a very serious offence to give liquor to an Indian.

I fear that such points as these have been considered from the legalistic rather than from the practical point of view. Perhaps it is somewhat late to draw attention to them now, but I think we shall hear more of this measure later on. I do not see how much harm could be caused by allowing it to stand for a while, for there is no emergency to be taken care of. I am not prepared to agree with the statement of the right honourable leader of the House that he would despair of our Indian policy if it did not result in the ultimate enfranchisement of these wards. These Indians will probably be happier living under their own communal system, and I do not think we should disturb them. The honourable leader on the other side (Hon. Mr. Dandurand) pointed out that the reputation of this country for the treatment of its Indian wards stands very high. We should be careful not to adopt any policy that might impair this well deserved reputation. As I say, I see no great urgency for the Bill, and I think no harm would result if we deferred the third reading. The delay would afford an opportunity to bring some of the officials of the department before a committee of this House to discuss the practical working out of control and the best means of protecting the Indians in the civilization with which we have surrounded them.

Right Hon. Mr. MEIGHEN: I had no thought of being legalistic. I answered the question put to me, not as to law, but as to practice. The practice is to allow enfranchised Indians to sell their land to a white man. That white man is in the same position as any other purchaser: the land is his. Undoubtedly there have been cases where land on an Indian reserve has been sold to a white man and he has chosen to live on his property. My information is that in these cases no important difficulties have arisen.

Hon. Mr. GRIESBACH.

A white man on the reserve must obey the law as to Indians, the same as a white man living outside. For instance, he cannot take liquor into the reserve. But the roads through the reserve are public roads. The land so alienated is no longer part of the reserve.

Objections have been raised—I remember similar objections raised years ago—to what has been described as the “checker-board” policy. Well, you must either adopt the checker-board policy or submit to the inevitable alternative—a substantial part of our population remaining indefinitely the wards of the State. I hope for better things for the Indians. Most wards at some stage aspire to emerge from their condition of tutelage. The best Indians so aspire. There have been Indians just as able as any white men. In the affairs of the Dominion Indians have played a part that may well earn them immortal fame. That there have been some very capable Indians may be taken as presumptive evidence that there will be others. Many Indians are quite as competent to look after themselves as are honourable members of this House. Why should Indians be exempt from fulfilling their contracts? Why should they be allowed to incur debts without being obliged to pay them? Why should they have all the various privileges that are now accorded them merely because they are wards? These privileges should appertain only to those who cannot well get along without them. When wards can do without them the privileges should be withdrawn. Simultaneously with the withdrawal of the privileges, rights of citizenship should be conferred. By this Bill such rights are conferred as soon as enfranchisement takes place. I should feel a sense of dismay if Parliament were to adopt a course which meant that we must look forward to the indefinite continuance of the Indian in tutelage; that he should always be a ward of the Government and be looked after like a child, and should never be expected to grow to full citizenship. I do not think that is the ambition of the leading bands of Indians, and I sincerely hope it is not the ambition of any substantial part of the population of this country.

The only question is, what is the fair method of deciding the qualifications of Indians for enfranchisement. The Bill provides that a board shall function for this purpose. An honourable senator opposite asked: “What rule will the board follow in recommending Indians for enfranchisement?” The rule is simple, clear and brief: the board will be guided by the capacity of the Indian. If it feels that an Indian is reasonably capable

of negotiating, working and competing with the white man, it will enfranchise him. Education and industry will be factors in deciding capacity. If, having considered these factors, the board decides the Indian is reasonably capable of making his way without the benign assistance of Government, he will take his place with the rest of us as a citizen of Canada.

Let it be remembered that if the band's representative on the board votes that an Indian should remain a member of the band, and if the other representative votes yea as to his fitness for enfranchisement, a judge will be called upon to give the decision. It seems to me that all proper precautions for the protection of the Indians are embodied in the Bill.

Hon. Mr. McLENNAN: Should we go so far as to affect injuriously the Indians who remain on the reserve, by introducing what seems to me an unwholesome element? The history of the majority of persons who have "gone native" in other countries would lead one to conclude that a white man living on an Indian reserve would not be a good influence.

Right Hon. Mr. MEIGHEN: White men have to live around the reserves all the time. If they do not behave themselves they are not a bad influence any longer; they are put in jail.

Hon. Mr. McLENNAN: But there are stages en route to the jail, and a white man might have exercised an evil influence before he was put behind the bars.

Hon. Mr. DANDURAND: With the leave of the Senate, I should like to express this view to my right honourable friend opposite (Right Hon. Mr. Meighen). The Senate of Canada has the right and duty to review proposed enactments and to suspend them for further consideration. I feel that if this Bill had come before us earlier in the session we should have referred it to a committee. This committee would have summoned before it representatives of the Department of Indian Affairs, and perhaps would have heard some members of the band who have raised certain objections to enfranchisement. The committee would have reported back to the House, and thus we should have had the advantage of being fully seized of the situation before passing upon the measure. I confess I am not in a position to pass final judgment on the advisability of enfranchisement, and yet I am moving in the direction of the enactment of legislation which may not work for the good of the Indians. I think the right honourable

gentleman will admit that the proposal to enfranchise is a new departure. Up to the present time the Indian's release from tutelage has been sought by the Indian himself. Now we say to thousands of Indian wards, "The time has arrived when you must walk freely among us as citizens." I appreciate what the right honourable gentleman has said about the desire of gradually absorbing the Indians into the community. As he says, many of them are very bright men. But I doubt the wisdom of the somewhat arbitrary step now proposed, and I think the Senate would not be doing full justice to itself in saying "Amen" to legislation that in its application might be fraught with danger.

Hon. Mr. GRIESBACH: Section 7 deals with enfranchisement. The other sections relate to other matters.

Right Hon. Mr. MEIGHEN: Enfranchisement is the principal feature of the Bill. Its other features have been already explained. I hope the House will not think I am obstinate in asking that this Bill be passed now. For the life of me I cannot see any reason why final consideration should be postponed. This is the third time the Bill has been before the House. It is not a last-minute measure. Every question has been fully answered, and where there has been any doubt the answer has been verified. Why, then, should we say we are not competent to decide the main feature of the Bill—enfranchisement? This is not the first such Bill submitted to this House. A similar Bill was passed in the spring of 1920.

Hon. Mr. GRIESBACH: That was asked for by the Indians.

Right Hon. Mr. MEIGHEN: No; the Bill was fathered by myself when I was Superintendent General of Indian Affairs. It was enacted in 1920, but was repealed in 1922 or 1923. The result is that as long as the Indians can get this special assistance from the State only those of exceptional ability among them are ready to do without it. They have the land and the funds. They have the Government officers at their elbow. They have the full protection of the law: they can incur debts, and any property they may possess cannot be applied in payment. Do honourable members seriously say that, although the Indians are entirely competent, so long as they do not apply for citizenship we must continue to absolve them from all the obligations of citizenship? It is not sought by this Bill to take away from the Indians what they are entitled to. They get their share of

the band's property—funds and land. Surely this is logic, that nobody in this country is entitled to be given special protection, special assistance and special supervision, to be taken by the hand and helped on the way, unless owing to some natural disability he is not able to make his way alone. Surely no honourable member will say that if Indians are incurably lazy and lack a spirit of citizenship, no matter how thoroughly able they are to make their own way, they are to be allowed to remain in their present state of tutelage for all time to come.

Right Hon. Mr. GRAHAM: Under their treaty rights they are entitled to continue as they are.

Right Hon. Mr. MEIGHEN: No, they are not. In fact, the Indian Act provides that if they have treaty rights, such rights shall not be overridden by the statute; consequently the court will enforce the treaty. We are taking away from the Indians nothing that the treaty gives them. He who opposes this Bill is in the position of saying that as long as the Indian is prepared to submerge his independence and enjoy the pleasant, warm atmosphere of Government wardship, the question of his competence for citizenship does not matter at all—we are ready to continue this state of tutelage indefinitely. I feel rather strongly because while Superintendent General of Indian Affairs I came in contact with the problem year after year. If we are prepared to hear all the Indians who would like to be heard on this measure, we shall unite this session with the next. Not only are many of the Indians competent to take care of themselves, but they are able to argue interminably.

Hon. Mr. DANDURAND: We have had them before our special committees.

Right Hon. Mr. MEIGHEN: Yes. I have listened to them by the hour. But when an Indian has the ability of mind and body to look after himself, what argument, aside from any treaty rights, can persuade honourable members that we are still under obligation to continue him in a state of tutelage?

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

PRIVATE BILL

SECOND READING

The Hon. the SPEAKER: I am informed that the fees have been paid on the Bill presented before the Orders of the Day, intitled "An Act to incorporate the Discount and Loan Corporation of Canada."

Right Hon. Mr. MEIGHEN.

Hon. Mr. MARCOTTE: With the leave of the Senate, I move that Rule 23f be suspended and that the Bill be now read a second time.

Hon. Mr. DANDURAND: I confess that I have not read the Bill and do not know whether it contains the standard clauses that generally appear in such Bills. However, inasmuch as it is a private Bill, and in giving it the second reading we are not bound by any principle, we can leave it to the tender mercies of the Committee on Banking and Commerce.

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

SUSPENSION OF RULE

Hon. Mr. MARCOTTE: I now move that rule 119 be suspended in so far as it relates to this Bill.

Right Hon. Mr. MEIGHEN: What is the rule?

Hon. Mr. MARCOTTE: The rule provides that notice of the sitting of the Committee must be posted for one week before the Committee considers the Bill.

The motion was agreed to.

INCOME WAR TAX BILL

THIRD READING POSTPONED

On the Order for the third reading of Bill 96, an Act to amend the Income War Tax Act:

Right Hon. Mr. MEIGHEN: Honourable members, I desire to have this Bill referred to Committee of the Whole. I think the better way would be to have the Bill stand for the present, and taken up later in the day.

The Order stands.

POST OFFICE BILL

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of Bill 98, an Act to amend the Post Office Act.

Right Hon. Mr. GRAHAM: I suppose there are no apologies to be made?

Right Hon. Mr. MEIGHEN: No.

Hon. Mr. GRIESBACH: We had them yesterday.

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

JUDGES BILL

MOTION FOR SECOND READING NEGATIVED

The Senate resumed from yesterday the debate on the motion for the second reading of Bill 84, an Act to amend the Judges Act.

Hon. Mr. GRIESBACH: Honourable members, I moved the adjournment of the debate yesterday on the ground that I thought we might improve the time by giving this matter some further consideration. After having considered it further I have decided to support the Bill. I think we are a little careless when we say that a judge is appointed for life, because the instant he takes his superannuation he ceases to be a judge, and as nearly all judges take superannuation sooner or later, their term of office is really for only such length of time as they choose to remain judges. That is an entirely one-sided arrangement. This Bill seeks to provide that a judge shall retire upon pension at the age of seventy-five, but that if he has not served for fifteen years he may continue until he has completed such a period in office.

The question whether a man who has attained the age of seventy-five years is fit for the discharge of public duties will never be settled by discussion. Experience has shown that the degree of fitness depends upon the person. In this House we have had many men of seventy-five or eighty years of age, or even older, who were as efficient as any of the younger members. The same can be said of judges on the Bench, and men elsewhere. Generally speaking, however, a man of seventy-five has at all events reached the maximum of his powers and may be said to be on the decline.

The objection is raised that this legislation will cost us \$90,000 a year in pensions and in the replacement of judges; but if it can be said in a general way that the efficiency of our judges is being increased thereby, the expenditure of \$90,000 a year will be a comparatively small item.

It was argued elsewhere that this legislation would result in the wholesale retirement of judges and the wholesale appointment of others. Such will not be the case. The judges will arrive at the age of seventy-five years at various dates, extending over the next four or five years; consequently the appointment of a great number of judges by one party is not even in question.

I think the strength and vigour of our Bench will be improved by this legislation and that some abuses will be cured. The honourable senator from Montarville (Hon. Mr. Beaubien) spoke yesterday of legislation that already exists which makes possible the displacement of judges who are mentally

or physically unfit to perform their functions. He omitted, however, to tell us in how many cases action had been taken under it. I venture to think the cases are very few. There is a natural disinclination on the part of any person to commence such proceedings. I have never heard of such a thing having ever been done, and I do not think it is likely to be done; therefore I believe the existing provision is no cure for the situation.

For these reasons I think we should do well to pass this Bill.

Right Hon. Mr. MEIGHEN: Honourable members, I should not feel that I had fully performed my duty if I permitted this Bill to be defeated, or even carried, without saying something in reply to the impressive arguments urged against it in this House. I say this despite the very pertinent remarks of the honourable senator from Edmonton (Hon. Mr. Griesbach), who has touched on certain phases of the case for the Bill, which I think are powerful and which I hope to elaborate somewhat this afternoon.

No one could listen to the honourable senator from Montarville (Hon. Mr. Beaubien) and the honourable senator from North York (Hon. Sir Allen Aylesworth) without feeling that a most plausible and impressive case could be made against the Bill, and that it would be difficult to present a stronger case in its favour. I do not think any argument advanced against the measure could be described as irrelevant or weak, in an argumentative sense, and I did not feel competent yesterday, without recourse to the statutes and the history of the subject, to answer the assault made upon the Bill. To-day I shall do the best I can to meet it, convinced, as I am, that on the whole the public interest will be served by the legislation and that no such instances of incurable injustice as have been referred to will follow in its train.

Let us devote our minds for a moment to the actual terms of the measure. The Bill has for its subject-matter judges of the superior provincial courts of the Dominion. Proceeding on the assumption that Parliament is not able to abbreviate the term of office of those judges save and except for misconduct, or, by virtue of an Act of 1922, for incompetency, the Bill provides that judges who remain in office after they reach the age of seventy-five, shall receive, not full pay, but 66⅔ per cent of full pay, which is the same amount as they would receive had they retired. That is the beginning and the end of the measure, except for the proviso that if a judge has not been on the Bench for a period of fifteen years, even

though he may have reached the age of seventy-five, he may continue in active service until he has completed that period.

I shall deal first with the proviso. Had it not been for the proviso, there would have been one instance of manifest injustice. Our law says that a judge who has completed fifteen years of service is entitled to receive full pension.

Hon. Mr. DANDURAND: He may receive; he is not entitled to receive.

Right Hon. Mr. MEIGHEN: He has done all that he is called upon to do to entitle him to retire upon full pension. Manifestly it would be most unfair to a judge who had ascended the Bench on that understanding, which is really a part of his patent, to deprive him of the right to full pension by intervening before the fifteen years had expired. This justifies the exception.

I now turn my attention to the main clause of the Bill. It has been argued in this House, and very powerfully, that judicial appointments are made for life; that they have been so made in respect of the county courts, the district courts, the superior courts of our provinces and also the Exchequer Court and the Supreme Court; that the patent itself makes the appointment for life, and that we should not be justified in breaking the contract with the individual accepting such an appointment. To use the language of the honourable senator from North York (Hon. Sir Allen Aylesworth), any governmental or parliamentary policy departing from this would be a breach of faith. It behooves us to examine this contention very carefully.

I mention now the second argument, namely, that this Bill should be defeated because of its indirection, because it seeks in a circuitous way to attain what the sponsors of the Bill apparently have not the courage to attempt to attain directly.

I shall deal first with the major contention, as I take it, that the Bill involves a breach of faith in declaring to those members of the Bench who have accepted from the Crown a patent vesting in them for life that after they reach the age of seventy-five, though they may continue to sit, they are entitled to receive only partial pay. One cannot deal with this question satisfactorily until one has reviewed the history of the whole subject.

It is true that the appointments to the superior courts are made for life, as, indeed, were appointments to the county courts or the Exchequer or Supreme courts. But the differences are these. We make appointments

to the county court Bench by virtue of our inherent powers as a sovereign State, and as such we can change directly and without restraint the conditions of appointment and the term during which the appointee shall enjoy office. The argument of the honourable gentleman from North York is doubtless good, that while we might have abbreviated the term of office we did not do so, but appointed for life. But many years ago we chose, in the public interest, to depart from that policy to the extent of determining that an appointee to the Bench must retire on full pension upon reaching the age of seventy-five. As to the superior courts of our provinces, our rights being restrained by the British North America Act, we are not able to fix the term of office, as we are in the case of the county courts. A still different law applies to the federal courts. In that sphere our authority is complete. We can terminate the tenure of office of judges of the federal courts, and can say that they must retire at a certain time, whereas we cannot so act in respect of judges of the superior courts of the provinces. If honourable members will keep in mind that simple and, I hope, plain statement of the law, the further review of the subject will be clearer.

As intimated a moment ago, we proceeded to act upon our authority with respect to county court judges about 1912 or 1913. The theory of the change in the law at that time was that at seventy-five a judge had passed the period of his greater usefulness, and that he was being fairly treated if at that age he, not choosing to retire voluntarily, was retired by law upon a pension which in practically every case was substantially more than he had any right to expect at the time of his appointment. What Parliament had in mind, no doubt, was to maintain by some method within its power the efficiency of the Bench, and to secure the maximum good to the public service with the minimum injustice to the individual. The honourable senator from North York was not a member of either House at that time, but many of us were members. I cannot recall any very serious objection being taken to that legislation. I do not say no protest was made, but I remember none. Undoubtedly the legislation was generally accepted as being for the public good.

The next step along the same line was a much more important one. It was taken in the year 1922, when the late Sir Lomer Gouin was Minister of Justice. Sir Lomer Gouin directed his efforts not towards the junior courts, which had already been dealt with,

Right Hon. Mr. MEIGHEN.

but towards the two kinds of superior courts—the superior provincial courts, and the federal courts—with the result that legislation was passed affecting both. I shall mention the legislation affecting the federal courts first. It was provided that the term of office of a judge of the federal court should expire when he reached the age of seventy-five years. That provision was within the power of Parliament. The federal courts were in a different position from the superior courts of the provinces in that our powers in the provincial sphere were abbreviated by the British North America Act.

Hon. Mr. KING: That applied to judges then on the Bench?

Right Hon. Mr. MEIGHEN: Yes. Their term of office was over at the age of seventy-five and they could no longer be judges. The understanding embodied in the patent of appointment—if it may be described as an understanding—was interfered with exactly as it had been interfered with ten years before with respect to county court judges. I believe that by a subsequent amendment these federal judges, that is, judges of the Supreme Court of Canada and of the Exchequer Court, were given their full salary by way of pension. Thus, while they were removed from the Bench at the age of seventy-five, their remuneration was really not interfered with.

Hon. Mr. BEAUBIEN: If the right honourable gentleman will allow me to interrupt him, I would point out that that was done in 1927. The legislation of 1922 did not say that.

Right Hon. Mr. MEIGHEN: Possibly not. I shall come to the 1922 legislation in a minute.

Hon. Mr. DANDURAND: The legislation of 1927 referred exclusively to the federal courts.

Right Hon. Mr. MEIGHEN: What I am pointing out now is this, that the legislation of 1927 interpreted the engagement with the judges exactly as the legislation of 1912 did. The legislation of 1927, in common with that of 1912, undoubtedly was founded on the assumption that the judge on his part also had an engagement—an engagement with the Crown that he would give his talents to the State while they were sound and strong, and that the provision for his retirement would be availed of by himself when he no longer possessed those talents in their full strength of maturity. The legislation of 1912 and of 1927 was made necessary because judges in both fields had failed to live up to that understand-

ing which was implied at the time of their appointment, and as a consequence the public service had suffered. The duty of the public representatives being to look after the public service, they had to find the most equitable way possible of remedying the evil that had resulted.

I will now proceed to deal with Parliament's treatment of the intermediate judges, those as to whom our powers were abbreviated to the largest extent, the judges of the superior courts of our provinces. They were dealt with in the legislation of 1922. I suggest that as I review this legislation honourable members keep in mind its terms and the principles underlying them, and ask themselves whether any argument could possibly be urged against this Bill which would not apply still more powerfully against the 1922 amendment. Now, what was that amendment? Parliament cannot terminate the tenure of office of a superior court judge.

Hon. Mr. DANDURAND: Except by impeachment.

Right Hon. Mr. MEIGHEN: But it cannot be done by a statute. However, Parliament did not sit back and reason that inasmuch as it could not act directly it should refuse to act indirectly. On the contrary, Parliament reasoned that service to the public is the supreme consideration, and that it is the duty of representatives of the people to endeavour to find the best and most equitable means of raising the standards of that service to the highest possible degree, and of eliminating any injustice that might be caused by inefficient service. Parliament went about its task and legislated machinery for the investigation, in certain circumstances, of any of these judges, by one or more judges of the Supreme Court of Canada or of the Exchequer Court, or even of the superior courts themselves. The main contention against the present measure is that it does what was done by the legislation of 1922. But that legislation provided that the Governor in Council could order the cessation of the salary of any judge against whom an adverse report was made by a commission of inquiry and who failed to resign. If he did resign, however, the Governor in Council was empowered to order that he be paid his pension.

That legislation of 1922 is still in force, and it applies not only to the judges of the superior courts, but also to the Supreme Court and Exchequer Court judges. It is asked why we are not satisfied with the present law. Well, the fact is, as every honourable member knows, that there has never been a judge removed

from office either by impeachment or as the result of an investigation. The reasons for this fact are more or less obvious. I do not know of anything that would be more distasteful to a Minister of Justice than to be a party to, or indeed to initiate, proceedings for inquiring into the mental competence of a member of one of the high courts of this country. Any citizen would find it exceedingly unpleasant even to request such an inquiry, and the judges who would have to determine the issue, according to the statute of 1922, would perhaps consider their task the most disagreeable of all. Indeed, I doubt that it would be possible to get any judge in Canada to accept such a responsibility, unless he were compellable.

The non-operation of the two existing methods for the removal of incompetent judges has brought us face to face with the undesirable—I almost said startling—conditions of the present time. As members of the Bar well know, we now have in most provinces, if not in all, some judges who are of such an age that they can no longer give that concentrated, consistent and continuous attention to the duties of their exalted office which the public interest vitally requires. Natural laws prevent them from doing so. The result is that the interests of the whole State, as well as the rights of litigants, are seriously and unjustly affected. I do not want to be understood as saying that there are not exceptions among the judges who have passed the age of seventy-five years. There always have been and there always will be exceptions to a rule. But I do not think it is possible to answer successfully the reasoning of the Minister of Justice of 1927. He said that the only way to meet the situation was to draw a line of demarkation at such a point that in the great majority of cases it would be equitable to those on either side of it, and not substantially unjust to anyone. He quoted the opinion of the Chief Justice of the United States, Mr. Taft, which was expressed in convincing language and supported by powerful reasoning, to the effect that the public would be best served by the Bench if judges were retired at the age of seventy-five.

If that contention was sound in 1922 and in 1927, undoubtedly it is equally sound to-day. And all that the present Bill seeks to do is to have that rule applied to superior court judges. There is no intention of applying the rule by subterfuge, by a back-stairs method. On the contrary, we are blazing our objective before the world, and we are seeking to achieve it in the only constitutional and legal way possible. We are making it clear to everyone that we are trying to secure the re-

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tirement of judges at the age of seventy-five. The law does not permit us to bring about such retirements by compulsion; so we must carry out our intention in the most direct and reasonable way that we can. Therefore we say to a judge, "If you retire at seventy-five you will be just as well off financially as if you remained on the Bench." Surely this measure is less drastic than was the amendment of 1922, which provided that if on inquiry a judge were found to be incompetent and refused to resign, the Governor in Council could order that he be not paid a single dollar more.

The Bill is not quite so forbidding or heartless as some honourable members have painted it. I do not doubt that it would work to the financial disadvantage of a few judges who are still mentally capable, though beyond three score and fifteen years; but I am equally certain that it would result in the removal of some judges whose removal would be for the public good.

These are the reasons on which I support the measure. I earnestly hope that this House will not depart from the unanimous position it took with respect to legislation which was much more drastic and was open to objections that I freely admit are applicable to this Bill. I trust we shall not depart from the precedent which has been set, and that this measure will meet with the same broad and generally liberal treatment that was accorded in the Senate to those previous amendments to which I have referred.

Hon. Mr. DANDURAND: I should like to put a question to the right honourable leader. Is he sure that this legislation will effect the purpose for which it is intended, and which is stated on the face of the Bill itself? Would the purpose not be more effectively and justly accomplished if a distinction were made between present judges and those appointed hereafter, so that those now on the Bench would continue to receive their full salaries on being retired because of having reached the age of seventy-five? If the measure as it stands were made applicable only to judges appointed in the future no injustice would be done, for they would be aware of the terms of their employment when they were sworn in. Is the right honourable gentleman sure that all the judges affected by this Bill would retire from the Bench if their remuneration were reduced?

Right Hon. Mr. MEIGHEN: I am no more competent than any other honourable member to come to a conclusion upon that point. I should think that some judges probably would

remain on the Bench even though paid no more than if they retired. But in such cases we should at least have the consolation that the country was saving money.

The honourable gentleman's second question is, Why should the Bill not be applicable only to judges who are appointed in the future? In Parliament, when we wish to defeat a measure, we have the practice of moving the six months' hoist, but if we adopted the suggestion of my honourable friend the practical result would be to give fifteen or twenty years' hoist to this Bill. I mean that it would be approximately fifteen to twenty years before the Bill could actually become effective, for I should say the average judge serves twenty years before reaching the age of seventy-five.

The motion for the second reading was negatived on the following division:

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SPECIAL WAR REVENUE BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 95, an Act to amend the Special War Revenue Act.

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

Right Hon. Mr. MEIGHEN: It is a long Bill, with many important clauses. If the House desires to go into Committee, I am prepared to give the fullest information on each clause.

Hon. Mr. DANDURAND: If no honourable member has any criticism to offer to any part of the Bill, we on this side of the House will not insist upon going into Committee.

Right Hon. Mr. MEIGHEN: Then perhaps I should put on Hansard a general explanation of the measure, for the benefit of honourable senators.

Section 1 has regard only to the application of the tax on note issues, and exempts those of Canadian banks in circulation in other countries.

Section 3 repeals the present exemption from tax of cheques and money orders under \$5, with the exception of cheques issued to producers of milk and cream.

Right Hon. Mr. GRAHAM: That is the same as it was before?

Right Hon. Mr. MEIGHEN: Yes.

Section 6 covers the taxation of transfers, even though the interest transferred is a participating interest in the operations or profits of an association, company or corporation. As honourable members know, a company sometimes issues what are known as profit warrants. Such instruments when transferred are made taxable by the amendment contained in this section. "Share of stock" is more fully defined, also for the purpose of catching these transfer taxes.

The amendments on page 4 are consequential on the participating interest amendment.

Section 8 extends the excise tax to express money orders and travellers' cheques, even though issued for less than \$5.

Section 9 extends the tax to post office money orders under \$5.

By section 10 the tax on postal notes is raised from 1 to 3 cents.

By section 11 the tax on matches is made applicable to the very small package now issued so frequently—sometimes freely.

Section 12 places a tax on cigarette papers and paper tubes. This is important because it produces something like fairness as respects the cigarette manufacturer, and also because it will produce a very substantial revenue.

Section 14 remits the tax on sugar, syrup and substitutes therefor when imported by refiners for further manufacture. Syrup and syrup substitutes have to be taxed along with sugar, or they would be substituted for the sugar, to the injury of the refiners and also to the impairment of the revenue.

By section 16 "sale price" is defined. There is nothing much more difficult to define for the purposes of the sales tax.

Right Hon. Mr. GRAHAM: To define at what point it begins?

Right Hon. Mr. MEIGHEN: Yes, and in such a way as to prevent evasion. A company will form another company, and sell to this company in such a way that the price will be the "sale price," although it is away below the price at which the goods are sold to actual customers. Very heavy evasions have been effected by this method.

Section 17 empowers the Minister to determine the proper market value of raw furs. It appears to be most difficult to trace the value.

Section 20 gives authority to determine the fair price in order to arrive at a dumping duty on imported goods that are taxable on an ad valorem basis.

Section 21 provides that application for remission of taxes must be made within fifteen days.

Section 23 prescribes higher penalties for tampering with books and accounts in order to evade excise and sales taxes. It also makes the evader liable for twice the amount of the evasion. For instance, a broker pays his transfer taxes by stamps. In the past, if he did not do so he was liable for the penalty only, which was very much less than the stamps he should have affixed.

Right Hon. Mr. GRAHAM: Retroactive?

Right Hon. Mr. MEIGHEN: No. It would hardly be fair to make it so.

By section 25 the Act is amended to increase the penalties for evasion.

By section 26 cosmetics and other toilet preparations are specially taxed.

Section 27 provides for a special tax on sugar. Honourable members are aware of the scheme and scale of taxation now applied in respect of sugar.

This brings me to section 28, containing schedule III. This is a schedule of exemptions from the six per cent sales tax. As amended, the schedule is much less comprehensive; in other words, many articles are omitted and made subject to taxation.

Schedule IV appears on page 18. It is a list of goods now subject to the three per cent sales tax instead of the six per cent. Honourable members will see that it is a very limited schedule.

Schedule V appears at the bottom of page 18. This is substituted for the old schedule V and defines the list of goods still exempt from the three per cent special excise tax on importations.

Schedules I and II contain lists of articles on which excise is imposed, and sections 26 and 27 of the Bill add further goods to the previously existing schedules. The general result is that the list of articles subject to the six per cent is very much increased, the list of articles subject to the three per cent is much reduced, and special excise taxes are imposed on certain articles which appear in the schedules that I have just designated.

Right Hon. Mr. MEIGHEN.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

PENSION BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 78, an Act to amend the Pension Act.

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

CONSIDERED IN COMMITTEE

On motion of Right Hon. Mr. Meighen, the Senate went into Committee on the Bill.

Hon. Mr. Webster in the Chair.

Hon. Mr. DANDURAND: Can the right honourable gentleman give us a general outline of the economy of this Bill?

Right Hon. Mr. MEIGHEN: The purpose of the Bill is to amalgamate existing courts that have to do with pensions. These courts are the Board of Pension Commissioners for Canada—which has been in operation, I should say, since 1914—and what are known as the Pension Tribunals. Another court, known as the Pension Appeal Court, remains. The amalgamated courts are to be called the Canadian Pension Commission. The main objects of the Bill are to define the Commission's duties and functions, simplify procedure, make it more efficient, and consequently save money. The new Commission is to be composed of eight members, any two of whom are to constitute a quorum of the court wherever they may be. Their decisions are appealable to the court above—the Hyndman court. The Bill also provides that the decisions of the Commission are not appealable at the instance of the Government.

This Bill is the result of the deliberations of a committee composed of a chairman, five representatives of the soldiers' organizations, and five others, representing the Department of Pensions and National Health. It was presided over first by Hon. Mr. Justice Rinfret, and then, after his regrettable retirement, by Hon. Mr. Justice Audette. The recommendations of that committee are not fully embodied in this measure, for the reason that the Bill which did embody them was submitted to a committee of the other House and the Commons committee tore it asunder and unapologetically agreed on the measure now before us.

Right Hon. Mr. GRAHAM: How about the veterans?

Right Hon. Mr. MEIGHEN: The Associated Veterans, composed of representatives of all the veteran organizations, have approved of the Bill in its entirety.

Hon. Mr. DANDURAND: From a rapid reading of the Bill I surmise that it relates principally to matters of procedure.

Right Hon. Mr. MEIGHEN: That, I think, is one hundred per cent correct.

Hon. Mr. DANDURAND: And it is somewhat technical in some of its terms.

Right Hon. Mr. MEIGHEN: It is.

Hon. Mr. DANDURAND: I must confess that I am not very competent to deal with these matters. In the past I have relied upon the honourable senator from Lauzon (Hon. Mr. Béland), at one time head of the Department of Pensions and National Health, on my right honourable friend to my left (Right Hon. Mr. Graham), and occasionally upon the inspiration of the honourable member from Edmonton (Hon. Mr. Griesbach). I remember on one occasion suggesting that the honourable gentleman from Edmonton should steer through this Chamber a certain Government measure dealing with military matters. I may say that he did so very happily and much more brilliantly than I could have done it.

On section 1—definitions:

Hon. J. H. KING: This Bill, as I understand it, is the result of the labours of a committee which met last August, and whose findings have since been under discussion by a committee of the House of Commons. I believe that the soldier organizations are well satisfied with it.

It is quite evident that there was congestion after the passing of the Act of 1930. That might well have been expected, because that legislation opened the door to permit a large number of cases, particularly those of men who had commuted their pensions, to come before the Commission.

There is one statement which I think it is only fair to make, namely, that in initiating the legislation of 1930 the Government failed greatly, inasmuch as it did not utilize the services of some five or six former officers of the Appeal Board. If the Government had retained those trained officers it would have had the benefit of their years of experience with applications for pensions and with appeals. I think the Government treated

those gentlemen rather unfairly, not only in failing to make use of their services, but also in retiring them without any regard for their former contracts. It may be said that the previous Government should have provided for the retirement of those men, because the legislation of 1930 did away with the Federal Appeal Board. I think it was in the minds of all interested that when the new legislation came into effect and the Tribunals were established, those officers would become the backbone of the Tribunals. I am satisfied that if this expectation had been realized there would not have been so many cases carried to the Appeal Court.

That is the only complaint I have to make in connection with the measure we have before us to-day. If it follows the recommendations of the committee, I am satisfied with it.

I may say in passing that a reading of the report of last year's committee, or commission, shows that there has been much misunderstanding on the part of the public so far as the Department of Pensions is concerned. It was shown during the investigation, and I think it is confirmed in the report, that the work of that department was properly carried on, and I think honourable gentlemen will agree with me that those engaged in the administration of the Pension Act came out with credit. This, I think, is important. I know from personal experience that officials in that department were at times unfairly criticized, and I think the report of the committee will remove any stigma that may have resulted from unjust criticism.

Right Hon. GEO. P. GRAHAM: I wish to add just a word to supplement what has been said by my honourable friend. I, with the honourable senator from Lauzon (Hon. Mr. Béland), had the privilege of sitting in at the proceedings of the committee in 1930, as an observer. It was apparent at that time that the various officials engaged in the administration of the Pension Act were very uneasy, and, as it turned out later, they had reason to be. While I fully realize the difficulty of answering the question, I should like to know whether we are approaching anything like finality in the matter of amendments to the Pension Act. The veterans were represented before the committee, and, generally speaking, everything they asked for was granted them and provided for in the Bill; in fact, as an observer who could talk, but not vote, I was of opinion that the committee almost went out of its way to meet the views of the veterans.

Hon. Mr. GRIESBACH: It happened to be on the eve of a general election. That may account for it.

Right Hon. Mr. GRAHAM: I think it was after the election.

Hon. Mr. GRIESBACH: No; before.

Right Hon. Mr. GRAHAM: Just on the eve, then. I know some gentlemen were very eager to meet the views of the veterans. The present Minister of Health was very active in that committee, and my impression is that everything the veterans asked for was granted.

Hon. Mr. DANDURAND: We thought we were still on the wave of prosperity.

Right Hon. Mr. GRAHAM: But it turned out to be the undertow. As a matter of fact, having listened to the discussion and observed what was being done, I was not at all surprised at the great congestion which ensued. The machinery was literally composed of wheels within wheels, and it would be impossible, I think, for any such combination as was set up under the statute to work smoothly and effectively. I could not see at that time how it could possibly keep up with the work.

As has been said, in order to please everybody—a purpose which was accomplished for the moment—old avenues were widened for new claims, and new avenues were opened for old claims that had been settled. The new Act made it possible to reopen claims that had been commuted. It is not surprising that it did not work. Any member of either House who took any interest in the matter was immediately deluged with claims.

I am prepared to support this Bill if the veterans are satisfied with it. I hope they will continue to be satisfied with it for some time to come. We are all desirous of meeting just claims and doing a little more. The financial burden is very heavy, however, and I think that if we could even approximate finality the veterans would be satisfied and the people of Canada greatly relieved. I am not sure that we can do that just now, but we can aim in that direction.

As I have referred to some of the officials, I should like to say that I have always found Colonel Thompson, the head of the Pension Commission, most anxious to accede to any reasonable request and to do his utmost to straighten out any difficulty. True, Colonel Thompson has always taken his position very seriously. He believed it was his duty to protect the treasury of Canada to the greatest extent possible under the statute. I do not think he ever went beyond that. I think it is a mistake to criticize men of this character who have done such good work, very often

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under irksome conditions. We know that every person who makes an application feels that he is badly treated if what he requests is not granted. What I have said with reference to Colonel Thompson might be said also of the members of the old Appeal Board. I think the Government would have done well to retain them in some position in order to gain the benefit of their experience.

I think it is not necessary for me to say much more. What I have said is based on some little experience, for once when my honourable friend (Hon. Mr. Béland) was absent a few months I had charge of his department and tried to study what it was doing. Sometimes I became more unpopular than he ever was, for I was not so affable. The department is a difficult one to manage, and the work of the men on these boards is often unpleasant, especially when they are called upon to deal with appeals made by personal friends and find it necessary, in the exercise of their duty towards the country, to reject them.

Hon. W. A. GRIESBACH: Honourable members, for many years I have been interested in pension legislation, and I have had the opportunity of acquiring some information with respect to it. This Bill has come down to us near the close of the session and we are not able to controvert the statement that it is satisfactory to the ex-service men and all concerned. After a hurried reading of the Bill I find that it does not meet the contention that I have been making for the past twelve years. Before the committee that sat in 1930 I staked my reputation on the general proposition that the machinery then existing was satisfactory so far as it went, and that the only thing lacking was a better system for the preparation of cases. I remember that on cross-examination several witnesses referred to the disposition of cases at the rate of fifteen to twenty a day, but an examination of documents showed that mere requests by ex-service men for pensions were called cases. I am still of the opinion that until we provide for the proper preparation of cases we have not met the necessities of the situation at all.

In 1930 I contended that the establishment of courts and tribunals would mean merely the creation of some good positions and the expenditure of much money. My opinion was that the Board of Pension Commissioners as then constituted was an able body. As a result of considerable experience I was able to form a fairly accurate opinion of the merits of cases, and, as a rule, when I was satisfied that a case could be proved the application for pension was granted, and

applications that I considered not well founded were generally rejected. I have come into contact with many men who had entrusted the presentation of their cases to advocates appointed to attend to such work, but unfortunately possessing very little knowledge of the rules of evidence, and inefficient generally. Some of those officials are still employed as advocates and being paid by the Government. They are not professional men and are by no means qualified to do the work expected of them. It is possible now to identify such men from the records of the tribunals and appeal courts, and I submit that the Government should dismiss them. In 1930 I opposed the spending of money upon a bureaucracy and stressed the importance of engaging qualified and conscientious pension advocates. Some able professional men have been engaged, and I know of one in Edmonton. He is a good lawyer, and his record for cases prepared and presented is the highest in Canada. But so long as it is true that some applications of disabled soldiers are mishandled by incompetent advocates there will be dissatisfaction. I cannot stress too strongly the importance of this matter. The Government has in its own hands the power to remedy the situation, and it should stop listening to the advice of stupid people who do not know what they are talking about. I ask, not that only lawyers who are ex-soldiers be given these appointments, but rather that the best legal talent in the community be secured for the prosecution of the cases. Soldiers themselves should ask no more.

I approve of this measure to the extent that it substitutes one court of first instance for two courts. I opposed the appointment of two courts in 1930. The intention that some of the members of this court shall travel about and come into contact with applicants is also to the good.

I have noticed one rather curious feature of the Bill. The new section 9 of the Act provides that the Pension Appeal Court shall be continued, and subsection 3 says:

A person appointed a member of the Court shall be a person who is or has been a judge of a Superior Court or of a County or District Court of any of the provinces of Canada, or a barrister or advocate of at least ten years' standing at the bar of any of the said provinces.

Judges of the superior courts are paid \$9,000 a year, and county or district court judges receive about \$6,000, I think. Subsection 7 provides that the salary of the President of the Pension Appeal Court shall be \$8,000, and that of each of the other members \$7,000. It is difficult to imagine why any man would

relinquish a \$9,000 position to take one paying \$8,000 or \$7,000. Part of this subsection 3 is nothing more than a pious hope unless there is some means of augmenting the remuneration.

The idea has long prevailed among many ex-service men that the Appeal Court is part and parcel of the departmental machinery and subservient to the Minister of Pensions and Health. It seems to me that this would be a suitable time to take steps to disabuse the minds of ex-service men in this connection and make it clear that the Appeal Court is an independent tribunal and not subject to dictation by the Minister or any department officials. I suggest that the measure might well contain provision for giving the Court equal status with the Exchequer Court, and for paying adequate salaries to the members. The intention clearly is that the Court shall have a high reputation, but the Bill stops short of providing for an absolutely independent body and the payment of salaries large enough to secure the services of men who possess the high qualifications required.

As I said a few moments ago, the session is now so far advanced that we have not time to give this measure the thorough consideration it deserves. The only thing we can do in the circumstances is to help it on its way, in the hope that it may work out satisfactorily.

Hon. H. S. BELAND: Honourable members, I should like to say a few words on this subject of pensions. I regret very much that on account of my physical condition this session it was not possible for me to attend the sittings of the committee appointed to deal with this important question, and for that reason I am not as conversant with the Bill as otherwise I should have been.

As has been said, during the past few years there have been three courts dealing with pension cases. One was the Pension Board, of three members; the second was the Tribunal, and the third was the Federal Appeal Board, composed of three members. The Tribunal had a large number of members, two or three of whom could form a quorum and travel around to hear appeals from the Pension Board. This machinery for dealing with pension applications was rather involved.

Right Hon. Mr. GRAHAM: Hear, hear.

Hon. Mr. BELAND: My personal view is that the substitution of two courts for three is a step in the right direction. The old Board of Pension Commissioners had only three members, but the new body, the Canadian Pension Commission, is to consist of not less

than eight members, and in the discretion of the Governor in Council the number may be increased to twelve. I suppose the size of the Commission will depend largely upon the number of applications to be dealt with. Two members can form a quorum, and if eight commissioners are appointed it will be possible in future to have four sittings of the Commission in different parts of Canada at the same time. In making this possible the Bill is, I think, an improvement over existing legislation. The commissioners will come into contact with the applicants, medical men and other witnesses. The Pension Appeal Court is to have three members, as did its predecessor, the Federal Appeal Board. I have not examined the Bill very carefully, but I presume that this Court will sit only in Ottawa.

Notwithstanding the necessity for economy in this time of stress, the Bill provides for the appointment of some additional important officers. The new section 10I, subsection 1, on page 8 of the Bill, reads:

Notwithstanding anything in the Civil Service Act, or any other statute, the Governor in Council may appoint an officer, called a "Reviewing Officer," and may fix the salary that shall be paid to him.

And subsection 2 says:

The salary of the Reviewing Officer shall be paid by the Comptroller of the Treasury from the salary appropriation granted to the Department.

The Bill does not state the amount of the salary, but undoubtedly it will be large. The functions of the Reviewing Officer are described in new section 59, on page 16 of the Bill. Subsection 1 reads:

If a decision of a quorum of the Commission upon any application is favourable to the applicant and involves the determination of any question in respect of which the Crown has any right of appeal under this Act, the applicant shall not be notified of such decision but the Commission shall submit such decision to the Reviewing Officer for his consideration.

Right Hon. Mr. GRAHAM: He will be a court of appeal.

Hon. Mr. BELAND: A new court of appeal. Suppose a quorum of the Commission, after having taken evidence in a case at Vancouver, renders a decision favourable to the applicant, neither the Commission here in Ottawa—I suppose there will always be some members of the Commission residing in this city—nor the Department, will notify the applicant, if that decision "involves the determination of any question in respect of which the Crown has any right of appeal under this Act." Instead, that decision will

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be referred to the Reviewing Officer, who will be a kind of Czar, and if he does not concur in the decision he shall direct that it be appealed.

Right Hon. Mr. MEIGHEN: He merely decides whether decisions should be appealed or not. By no means will he be a Czar.

Hon. Mr. BELAND: Suppose two commissioners sit at Halifax and take evidence in a case. They see and hear the applicant, the physicians who have examined him, and probably some men who were associated with him as soldiers at the Front. Upon this evidence, which is as nearly complete as it can be made, they render a decision favourable to the man's application. But he is not notified of the decision; it is referred to a Reviewing Officer. Where is he? Evidently here in Ottawa. If honourable members retort that the Reviewing Officer was present, or might have been present, in Halifax with the quorum, then I ask: What about the three other quorums, one sitting in Toronto, one in Winnipeg and the other in Vancouver? For the Commission may be divided into four quorums if eight members are appointed. What do honourable senators think of the competency of the Reviewing Officer to decide whether or not the case shall be appealed on behalf of the Crown? He was not present when the case was heard. He was here in Ottawa on his throne, as it were. He may decide that the case shall be appealed.

I do not know how far the committee went into the question of the appointment of a Reviewing Officer. I did not follow its proceedings this session, for the reasons that I have already stated. But if such an important officer is deemed advisable, why not fix his salary? It is left entirely to the decision of the Governor in Council. This is contrary to the course followed with respect to the Pension Commission. It will be observed that by section 3 the salaries of the chairman and each commissioner are specified.

It seems to me that these are the objectionable features of the proposed legislation. On the whole, however, I think it deserves the support of honourable members. Undoubtedly it simplifies somewhat the machinery, and as long as the veterans are satisfied I cannot complain.

Perhaps I might take this opportunity to express regret that when, some two years ago, legislation was enacted to do away with the Federal Appeal Board, its three members—men of high standing who had discharged their duties to the satisfaction of the country generally—were not retained in the de-

partment. At the time several other men were appointed to exercise similar functions. It is impossible for a commission dealing with pension applications to satisfy everybody. But members of the Federal Appeal Board gave very satisfactory service, and I think it is regrettable that they were not appointed to the new Appeal Board then set up. They were absolutely ignored, though they had been appointed members of the old Board for a certain term and at a certain salary.

Hon. Mr. DANDURAND: And had been sitting for a number of years.

Hon. Mr. BELAND: Yes; and, as I say, they had given entire satisfaction. Undoubtedly they were open to criticism by applicants who had been refused pensions, for the simple reason that these disappointed men were unable to conceive it possible that their applications could be rejected.

My right honourable friend who sits on my left (Right Hon. Mr. Graham) has referred to the Chairman of the Board of Pension Commissioners for Canada, Colonel Thompson. I may say that when I was at the head of the department I disagreed with some of the decisions of the Board, and discussed with the commissioners their reasons for rejecting the applications. On these occasions I always found the Chairman of the Board absolutely impartial. He may have made mistakes: I do not know of any judge who does not sometimes make wrong decisions. During the years that I was in charge of the department Colonel Thompson was not popular among the returned men, but I readily endorse the remarks of my right honourable friend in commendation of this very capable officer.

Let us hope that the new machinery to be set up under this Bill will work to the satisfaction of everybody concerned. Let us hope also that the Governor in Council will not fix the salary of the Reviewing Officer at too high a figure.

Right Hon. Mr. MEIGHEN: I think the honourable senator is inclined to exaggerate the position and power of the Reviewing Officer. That officer is not the final authority. He is in the position of the counsel of a company who advises on questions of appeal. Somebody has to do that. The Reviewing Officer, it is true, has not had the advantage of being present at the hearing; nor will counsel usually have had that advantage. He reviews the evidence, and his duty is to see if some mistake was made, as to the facts or the law, which would be good ground for

an appeal. I cannot see that his duties go further. I do not know why the salary is not fixed, but apparently twelve members of the committee thought it better to leave this to the discretion of the Governor in Council.

The honourable senator complains of the non-retention of certain members of the Appeal Board. I confess I cannot make any statement, because I do not know anything about the matter. I ask him to keep in mind that this step in administration was taken before the last glad circle in the evolution of this Government of perfection was negotiated: it was before I became a member of the Government. I can only assume that the reasons were good.

Right Hon. Mr. GRAHAM: A weird assumption.

Hon. Mr. BELAND: I forgot to mention what I believe to be a very important point in the selection of members of the Appeal Board. At the present time we have an Appeal Board composed of three members, Judge Hyndman, Colonel Sherwood and Colonel LaFleche.

Hon. Mr. GRIESBACH: He is no longer a member.

Hon. Mr. BELAND: I think there is a vacancy.

Hon. Mr. GRIESBACH: Yes.

Hon. Mr. BELAND: I am very much impressed with the importance of having a medical man on the Appeal Board. Every application for a pension involves medical questions. It seems to me absolutely indispensable that on such a board there should be a medical man with as high a standing in his profession as is required of the legal men in their profession.

Hon. Mr. LACASSE: Or the Reviewing Officer.

Hon. Mr. BELAND: I suppose the Reviewing Officer should be a medical man also.

Hon. Mr. DANDURAND: While we frequently discuss the question of appeals from pension awards, nothing is ever said of reviewing pensions awarded in years gone by. Under the Act these pensions can be reviewed.

Right Hon. Mr. MEIGHEN: They are.

Hon. Mr. DANDURAND: I do not doubt that they are. There is, I think, some machinery by which the members of the Board can supervise the working of the Act and review pensions from time to time. If, for instance, fraud is brought to their notice they must act.

Right Hon. Mr. MEIGHEN: That is right.

Hon. Mr. DANDURAND: I do not know whether in the other House statements of the activities of the Commission in this respect are tabled periodically. I have never seen such a statement tabled in this House—probably because no honourable member has ever asked for it. I think either during the remaining weeks of this session, or some time next session, we might well explore this field and ascertain what control has been exercised by the Board. There is always an impression abroad that some of the pensions included in the annual vote of \$55,000,000 should be reviewed and perhaps discontinued.

My honourable friend from Edmonton (Hon. Mr. Griesbach) has referred to something that has often passed through my mind. He said the 1930 pension legislation, which my right honourable friend to my left (Right Hon. Mr. Graham) considered liberal, was enacted on the eve of an election. Well, we know what took place in the United States after the War of Secession. It is beyond contradiction that many millions of dollars in pensions are still paid out every year to Civil War veterans. I would not indict a Government for bringing in, on the eve of an election, legislation which would please a few hundred thousand men, because I know that generally it does not take the initiative in the matter. There are 245 members of the other House who are feeling their way towards re-election. They ask for the appointment of a pensions committee. It is in this committee that we see such a sentiment of liberality engendered. In turn the committee sways the House of Commons. Now, I feel that one safeguard at all events could be provided by the Senate. We are here for life.

Right Hon. Mr. GRAHAM: We cannot tell.

Hon. Mr. DANDURAND: It is true. I have discussed the subject with the powers that be and have been. I have suggested that we on both sides of this House might well declare that during the last two sessions of Parliament the other House should not review pensions for the purpose of increasing them or opening wider the door; that if anything is to be done in this regard it should be done during the first two sessions. It seems to me that on this body falls the duty of protecting the treasury against these attempted raids.

Hon. Mr. GRIESBACH: Of course, the honourable gentleman is aware that a pension consists of two parts. First of all, it is based on entitlement. That is, it is an admission

Hon. Mr. DANDURAND.

on the part of the Pension Commissioners that the disability from which the applicant suffers was contracted during service. The second part is the rating of the disability, the determination of exactly what percentage of the disability was contracted during service. That question is practically always under revision. A man is required to present himself periodically for examination in order that it may be determined whether his disability has grown worse or better. We have, as everyone knows, a system of hospitalization for the treatment of curable disabilities. On the other hand, with the aging of the pensioner there is likely to be an increase of his disability. So there is constant fluctuation. The phase to which my honourable friend should address himself is the review of entitlement. I am not prepared to say how much reviewing of entitlement there is. We read six months or a year ago scare headlines to the effect that there were grave scandals in connection with the administration of pensions. If there was anything of that kind it was of minor importance, and I am prepared to say that it occurred not in connection with the rateability, but through false evidence in relation to proof of entitlement. I fancy that the question of entitlement could be reviewed if it were alleged in a particular case that a man's entitlement was false. Men are constantly complaining that their disability is not rated high enough—many such cases come to me—and one hears that a man who was rated at thirty per cent is now rated at twenty-five per cent, and that some have been practically rated out of existence.

Right Hon. Mr. MEIGHEN: I have here certain amendments which I have handed to the Clerk. The first amendment is by way of addition to clause 5. It reads:

(4) Except as herein otherwise expressly provided, for the purpose of exercising and performing the powers, authorities and functions vested in the Commission—

That is the new Pension Commission.

—as distinct from a quorum thereof, under this Act, the Commission shall consist of two or more Commissioners; and whenever under this Act a quorum of the Commission is referred to, it shall mean a quorum as constituted under the provisions of section 55 of this Act.

This is to be added at the bottom of page 4, as subsection 4 of the new section 7.

The next proposed amendment is that after the word "bodies" in line 22 of page 6, there be added the following:

or as a member of the Board of Pension Commissioners for Canada or of the Pension Tribunal.

This is to enable those persons to include the time so served in estimating their rights under the Civil Service Superannuation Act.

Then on page 13, line 10, after the word "before" insert the words "the Commission or." This refers to the presentation of an application "before the Commission or such quorum sitting in Ottawa."

Then on page 18, line 5, after the word "reference" insert the words "or submission." The section will then read, "upon any reference or submission to the court." The reference is by the Crown; the submission is by the applicant.

Then on page 21, strike out in lines 18 and 19 the words "or section 33." This, like the other amendments, is consequential.

Hon. Mr. BELAND: The main purpose of these amendments, I surmise, is to make the sections clearer.

Right Hon. Mr. MEIGHEN: Certain amendments were introduced at the instance of the House of Commons, and the officials did not have time, or in any event they failed, to prepare properly the three or four amendments now presented.

Hon. Mr. DANDURAND: They do not vary the economy or the principle of the Bill?

Right Hon. Mr. MEIGHEN: Not at all. I have gone over them. They do not vary the principle of the Bill; nor is it reasonable, or possible, I think, that they should have been objected to had they been submitted in the other House.

Hon. Mr. DANDURAND: I would suggest to my right honourable friend, if there is no further criticism of the clauses of the Bill, that we adopt it with the amendments and postpone the third reading till to-morrow. Then we may see the amendments.

Right Hon. Mr. MEIGHEN: That is all right.

Hon. Mr. DANDURAND: The amendments will appear in our Minutes to-morrow.

Right Hon. Mr. MEIGHEN: Yes.

The amendments were agreed to.

Section 1 was agreed to.

Sections 2 to 20, inclusive, as amended, were agreed to.

The preamble and the title were agreed to.

The Bill was reported as amended.

The Hon. the SPEAKER: When shall these amendments be taken into consideration?

Hon. Mr. DANDURAND: Now, on the understanding that we may review them on the third reading.

Right Hon. Mr. MEIGHEN: Oh, yes.

The amendments were concurred in.

LOAN BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 103, an Act to authorize the raising, by way of loan, of certain sums of money for the public service.

He said: This Bill is to enable the raising of money by what will probably be called a new Conversion Loan.

Hon. Mr. DANDURAND: For the small amount of—?

Right Hon. Mr. MEIGHEN: Of \$750,000,000. If the honourable gentleman so desired, it would be in order for him to subscribe it now.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

INCOME WAR TAX BILL

CONSIDERATION IN COMMITTEE POSTPONED

Right Hon. Mr. MEIGHEN: The Income War Tax Bill will be taken up in Committee to-morrow. I had certain matters under review when it was called to-day, and consequently did not ask that it be given third reading. It will be the principal business to-morrow.

CANADA-FRANCE TRADE AGREEMENT BILL

FIRST READING

Bill 107, an Act respecting a certain Trade Agreement between Canada and France.—
Right Hon. Mr. Meighen.

APPROPRIATION BILL No. 5

FIRST READING

A message was received from the House of Commons with Bill 109, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1934.

Hon. Mr. DANDURAND: Do I understand that this is the Supply Bill for 1933-34?

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. DANDURAND: According to tradition, that would mean that the Deputy Governor General would be here within an hour. The Supply Bill is always the last Bill. I suppose there are supplementary estimates that are not included in this Bill.

Right Hon. Mr. MEIGHEN: I do not think so. This is just an illustration of the grand result of time, as well as of the change of government.

Right Hon. Mr. GRAHAM: Wait until you see the supplementaries.

The Bill was read the first time.

CANADA-FRANCE CONVENTION BILL FIRST READING

Bill 108, an Act respecting a certain Convention between Canada and France concerning the Rights of Nationals and Commercial and Shipping Matters.—Right Hon. Mr. Meighen.

CRIMINAL CODE BILL

COMMONS DISAGREEMENT WITH SENATE AMENDMENT

The Hon. the SPEAKER: A message has been received from the House of Commons, which reads as follows:

Resolved that a message be sent to the Senate to acquaint Their Honours that this House disagrees with their amendment to Bill 71, an Act to amend the Criminal Code, for the reason that the deletion of subsection 3 of section 3 of the Bill makes the said section ineffective.

When shall this message be taken into consideration?

Right Hon. Mr. MEIGHEN: To-morrow. I may intimate to the House that I intend to move another amendment by way of proviso to subsection 2, which immediately precedes the subsection deleted by the Senate. If that other amendment is adopted, I shall then move that we do not insist on the deletion of subsection 3. I am confident that the proviso at the end of subsection 2 will meet the objection which the honourable gentleman opposite (Hon. Mr. Dandurand) made to subsection 3 at the last sitting—an objection that I thought was perfectly valid.

Hon. Mr. DANDURAND: That would mean what?

Right Hon. Mr. MEIGHEN: That we do not insist on our amendment.

Hon. Mr. DANDURAND: And we submit another one?

Right Hon. Mr. MEIGHEN: Submit another one.

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

Right Hon. Mr. MEIGHEN.

THE SENATE

Wednesday, May 17, 1933.

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

Prayers and routine proceedings.

RADIO BROADCASTING BILL

FIRST READING

Bill 99, an Act to amend the Canadian Radio Broadcasting Act, 1932.—Right Hon. Mr. Meighen.

TARIFF BOARD BILL

FIRST READING

Bill 100, an Act to amend the Tariff Board Act.—Right Hon. Mr. Meighen.

PRIVATE BILL

FIRST READING

Bill 102, an Act respecting a certain patent of Genter Thickener Company.—Hon. Mr. Horsey.

SECOND READING

Hon. Mr. HORSEY moved the second reading of the Bill.

He said: Honourable members, this Bill merely provides for the revival of a patent which expired through the inadvertent omission to pay the renewal fees when they became due. Many bills of this kind have been passed here before. The matter is purely a technical one.

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

SUSPENSION OF RULE

Hon. Mr. HORSEY: Honourable members, I move that rule 119 of the Senate be suspended, in so far as it relates to Bill 102. This rule requires one week's notice of the sitting of a committee on a Private Bill, and we are desirous of having the present Bill considered in committee to-morrow morning.

The motion was agreed to.

INCOME WAR TAX BILL

THIRD READING

Bill 96, an Act to amend the Income War Tax Act.—Right Hon. Mr. Meighen.

PENSION BILL

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of Bill 78, an Act to amend the Pension Act.

Hon. H. S. BELAND: Honourable members, when I made a few remarks on this Bill yesterday I particularly mentioned my opinion that one member of the Pension Appeal Court, as created by this Bill, should be a medical man. I do not want to labour the point at all, or to enlarge upon my previous remarks.

Right Hon. Mr. MEIGHEN: Does this Bill deal with the Appeal Court?

Hon. Mr. BELAND: It deals with the old Board of Pension Commissioners, which is to be replaced by the Canadian Pension Commission. It also provides for discontinuing the Tribunals, and continuing an appeal board, which in future is to be called the Pension Appeal Court.

Right Hon. Mr. MEIGHEN: But it does not provide for a new appeal court.

Hon. Mr. BELAND: No.

Right Hon. Mr. GRAHAM: Apparently there is a vacancy on this Appeal Court.

Hon. Mr. BELAND: Yes. There happens to be a vacancy on the Appeal Court. I think the time is propitious for bringing in an amendment providing that at least one member of the Court shall be an experienced medical man. I hope the right honourable leader will accept this suggestion, which is a very simple one, and in form is similar to the provision that persons appointed to the Court shall have been judges or members of the Bar with at least ten years' experience. I believe that the Court would function more effectively and with greater satisfaction to everyone concerned if one of its members were a medical man. The amendment which I propose to the section dealing with the Appeal Court reads as follows:

and one member of the Court shall be an experienced medical graduate.

It would take only a few minutes for the House to go back into Committee of the Whole and insert this amendment. My suggestion is made not with any desire to embarrass the Government or to delay the work of the session, but because I think it is absolutely essential that a medical man should sit on the Appeal Court. The awarding of pensions, except in cases where the soldier was killed at the Front, is almost exclusively determined by medical evidence, yet at present there is no medical man on the Appeal Court.

Hon. Mr. GORDON: Is the honourable gentleman not mistaken in that? I think one of the members of the Pension Board is a doctor.

Hon. W. A. GRIESBACH: But the discussion is about the Appeal Court. To a certain

extent I am in sympathy with the amendment, but it must be remembered that the work of the Appeal Court is the hearing of appeals, which involves the consideration of evidence and records to determine whether the court below has erred. In other words, the duties of the Appeal Court are almost entirely of a legal nature, and it is of the utmost importance that decisions should be sound legally. It is better that the law should be certain than that it should be just, as Lord Justice Coke said two hundred years ago. The decisions rendered in these pension cases should be uniform throughout the length and breadth of Canada, as they were not under the Tribunal system. The Government might do well to consider what has been suggested by the honourable gentleman from Lauzon (Hon. Mr. Béland). I do not think that in this matter the hands of the Government should be tied. When the appointment of the Tribunals was provided for I was of opinion that the membership should consist equally of medical and legal men, but the Government did not agree with this.

Hon. Mr. BELAND: Is my honourable friend referring to the original Appeal Board?

Hon. Mr. GRIESBACH: I am speaking now to the amendment which the honourable gentleman has moved, to the effect that one member of the Appeal Court shall be a medical man. I was strongly of the opinion that the legal and medical professions should have been equally represented on the Tribunals, so that the cases would be heard by a lawyer and a doctor, the doctor to weigh the medical evidence and the lawyer to deal with points of law. I am prepared now to say that there should be a medical man on the new Pension Commission. This will be a court of first instance and will determine the question of entitlement on medical testimony. On the other hand, the Appeal Court deals largely, if not wholly, with questions of law and reviews the evidence given in the court of first instance. I think this discussion might well be brought to the attention of the Minister of Pensions, but, as I do not think the Government should be bound, I am not prepared to support the amendment proposed by the honourable senator from Lauzon (Hon. Mr. Béland).

Right Hon. Mr. MEIGHEN: I concur in the remarks of my honourable friend from Edmonton (Hon. Mr. Griesbach) as to the judicial practice. I do not like the proposal that certain professions shall be represented on boards to be appointed by the Governor in Council. When it is clearly the intention of Parliament to attach a distinctly judicial

character to the work of a board the legislation constituting the board provides that the chairman must be an experienced judge. The statutes constituting the Railway Commission and the Pension Board contain this provision, and a similar provision is incorporated in the Railway Bill which recently passed this House. But I do not think it is good practice to go further and say that a certain class or profession shall be given representation in the Appeal Court. It would seem to me that, other things being equal, a medical man should be one of the members of the Court. I think I am safe in assuring the honourable senator that the Government will very carefully consider his suggestion and discuss it with the present chairman, Judge Hyndman. I have no doubt that if he agrees with the suggestion a medical man will be selected as one of the members of the Court.

Hon. Mr. BELAND: Under the circumstances what the right honourable leader of the House has said amounts almost to an undertaking on his part that a medical man shall be appointed to replace Colonel LaFleche.

Right Hon. Mr. MEIGHEN: It is not an undertaking.

Hon. Mr. BELAND: I take it to be almost an undertaking. Subsection 3 of section 9 provides that the Governor in Council must appoint as a member of the Court "a person who either has been a judge of a Superior Court or of a County or District Court of any of the provinces of Canada, or a barrister or advocate of at least ten years' standing at the bar of any of the said provinces." I think every honourable member will agree with me that consideration of a pension application involves medical rather than legal questions.

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. BELAND: But there is no provision here that one of the members of the Appeal Court shall be a medical man. As a matter of fact, the three original members of the Appeal Board were legal men.

Right Hon. Mr. MEIGHEN: I do not think Colonel LaFleche is a lawyer.

Hon. Mr. BELAND: Certainly there was no medical man on the old Appeal Board. I believe there has always been a medical man on the Board of Pension Commissioners, and it seems to me it would be a grave mistake not to appoint a doctor to the new Appeal Court. However, under the circumstances, I do not press the amendment.

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

Right Hon. Mr. MEIGHEN.

CANADA-FRANCE TRADE AGREEMENT BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 107, an Act respecting a certain Trade Agreement between Canada and France.

He said: Honourable senators, in a sense this is a taxation measure; nevertheless it is in much greater degree a very important article of policy, and the House is entitled to an explanation of the agreement which it is asked to ratify.

The Bill is very brief, but the agreement attached to it is a lengthy document. The Bill merely ratifies the agreement, and gives the Governor in Council power to take such other steps as may be appropriate to give effect to it.

Our first trade arrangement with France was made about forty years ago. In 1892 France adopted the protective tariff system, based on a report made by a distinguished French economist. Thereafter Canada sought closer trade relations with France, and, very largely through the efforts of Sir Charles Tupper, a trade agreement was negotiated in 1893. This agreement constituted the basis of our trade relations with France until early in the present century, when the Government of Sir Wilfrid Laurier made a very definite effort to secure a more favourable arrangement. The French public had massed itself behind the protective principle and very little success was achieved. In fact the French Senate rejected the tentative arrangement that had been made. About 1908 the Canadian Government entered into fresh negotiations with the French Government, but they were not concluded until 1910; then a treaty was ratified, subject to a certain proviso.

The post-war conditions convinced France that she should raise her tariff barriers still higher, and as a result the treaty of 1910 became less and less beneficial to Canada. Finally, in 1920, it was abandoned, and a *modus vivendi* was entered into pending the negotiation of another treaty.

In 1922 the Government of Mr. King made a new arrangement with France. This treaty was signed by Mr. Lapointe and Mr. King on behalf of Canada and by the British Ambassador to France on behalf of Great Britain.

Hon. Mr. DANDURAND: Pardon me. Mr. Fielding and Mr. Lapointe signed the treaty on behalf of Canada.

Right Hon. Mr. MEIGHEN: I am obliged to my honourable friend for the correction. Up to that time it was the practice for our

representatives to conduct their negotiations with foreign countries through the British Ambassador, and he joined them in signing the resultant treaty.

By this 1922 treaty we granted France specific, fixed rates of duty, substantially below the Canadian intermediate tariff, on thirty-two important items. Ninety-one articles were granted the Canadian intermediate tariff less ten per cent, and three articles were granted the Canadian intermediate tariff less fifteen per cent. These were the concessions made by Canada to France. The important feature is that thirty-two articles were admitted at rates which could not be altered. The others could be altered only by the raising of the intermediate tariff of Canada. We also granted France the benefit of the favoured-nation clause.

In her concessions to Canada, France admitted one hundred and forty-one articles under the French minimum tariff. Unfortunately, the preponderance of those articles consisted of drugs and various indescribable commodities, with unpronounceable names, which, even to this day, have not been made in this country. The articles enjoying the French minimum tariff were really negligible. They amounted to nothing. We did, however, gain certain concessions in respect of other articles, under the maximum tariff, and France granted us the benefit of the favoured-nation clause.

Such was the treaty of 1922. I ask honourable gentlemen to remember that under the terms of that treaty, while we had certain fixed rates for the admission into Canada of thirty-two French articles of considerable importance, the French Government was able to raise at will the duties against Canada on all articles by the simple process of increasing in the one case the French minimum tariff, which was of little importance, or in the other the intermediate tariff, which was of very great importance. After that, in consequence of French policy as it took effect from year to year, we found a number of articles for which we desired admission into France barred by higher and ever higher customs duties. Our wheat, which at first had paid a duty of seventeen and one-half cents a bushel, had finally, after seven or eight separate increases, to pay a duty of \$1.70. As if this were not enough, France granted concessions to Yugoslavia and Roumania by giving them quotas up to fifty per cent of the amount of French importation, and in 1923 made an engagement with Germany under which that country received concessions in respect of the very articles for which we were seeking entry into

France. As honourable members will realize, the German competition was a very serious factor indeed. The consequence was a progressive dilution of that treaty.

Efforts to improve the situation proved abortive, and finally, about the middle of the year 1931, notice of denunciation of the treaty was sent to France, the denunciation to take effect on the 16th of June, 1932.

The present treaty is the result of advances made by the Government of Canada with a view to negotiating some better basis of trade with that great republic. These negotiations were carried on by the present Secretary of State, who last October went over to Europe to attend the Geneva Convention and at the same time to seek some sort of arrangement with France. The treaty, provided it is adopted by Parliament, takes effect as of the 12th of May this year, and remains in effect for one year. It is subject to termination on three months' notice. That is to say, if notice is given by either party on or before the 12th of February next, the treaty will terminate on the 12th of May, 1934. If notice is not given, the treaty will remain in force, and thereafter will be terminable on three months' notice.

Having regard first to the concessions made to France by Canada under the terms of this treaty, I may say that seventy-seven articles appearing in schedule C are admitted to Canada under our intermediate tariff less ten per cent, and fifteen under our intermediate tariff less a specified discount which in each case exceeds ten per cent. In addition to this, seven articles are admitted to Canada under the British preferential rate, the lowest rate granted.

As respects the seven articles enjoying the British preferential rate, the treaty comes into effect on proclamation. The reason for this is that under the terms of the Ottawa agreements of last year Canada was restricted in granting the British preferential rate. Canada therefore asked the approval of the British Government in the cases in question. I may say that the articles involved are largely books in the French language, cinematograph and phonograph records in the French language, certain religious tracts, and the like. It has been intimated by the British Government that it will not object to these concessions provided they take official and final form before this particular phase of the treaty is called into effect. This is the reason for the suspension of the clause applicable to these items.

On the other hand, France grants to Canada the admission under the French minimum

tariff of the one hundred and eighty-five articles that appear in schedule A. She also admits sixty-five articles under the French intermediate tariff less ten per cent. In schedule D she admits a list of articles—I am not just certain of the number—under the French intermediate tariff without any reduction.

This is the sum total of the agreement in its major features.

Reference should be made to one other important point. Wheat is one of the articles admitted to France under this treaty at the low rate, and while the treaty stands good until the 12th of May, 1934, as regards wheat, as it does with respect to other articles, special provision is made for the resumption of negotiations between Canada and France in the month of March, 1934, with a view to reaching a more permanent arrangement with respect to wheat. I may say that up to now the quota system adopted by France has, I think, reduced the importation of foreign wheat into that country to one per cent of home consumption.

Under the terms of this treaty certain quota concessions are made to Canada in respect of canned salmon.

The French Republic has a number of colonies, some of which are governed directly by France. These are known as "assimilées"—assimilated territories. When France grants us the minimum tariff, or the intermediate tariff with a reduction, a similar concession is granted with respect to these assimilées. Other colonies of France are of a rather different character: each has its separate tariff, concurred in, I assume, by France. With respect to each of these colonies our goods receive the best treatment that is accorded to any other country.

This is a synopsis of the treaty embodied in the Bill now before the House for second reading.

Hon. RAOUL DANDURAND: Honourable gentlemen, I have not examined very minutely the convention before us, nor have I had time to compare it with the convention existing between our country and France up to a year ago. I know that the negotiators of this convention have been somewhat hampered by the agreements reached at the Ottawa Conference. France has claimed, I notice, that the spread between our general tariff and our intermediate tariff is not as great as the spread between the French general tariff and the minimum tariff. Consequently France has played the game somewhat closely and has not granted us the advantages that she would have been prepared

Right Hon. Mr. MEIGHEN.

to grant if she had had freer access to our country. It is true that France has granted a reduced rate on wheat, but I believe she would have been disposed to forgo the charge on our depreciated dollar if it had not been that because of the Ottawa Conference agreements she was unable to secure certain advantages. Of course, I think we all realized that the agreements made at the Imperial Conference would somewhat hamper us in our dealings with other countries.

It is difficult to say just what advantages will accrue to Canada as a result of this treaty. The right honourable gentleman has shown that because of arrangements that France has made with certain nations of Central Europe we are not likely to increase our sale of wheat to any very great extent. One good feature about this treaty is that it is provisional, so to speak, being made for only a year. It is possible, therefore, that after the World Economic Conference there may be a rearrangement.

Some people attach great importance to the monetary difficulty which confronts the world, and believe that when that is settled we may see better days, economically speaking. I am not altogether of that mind. I am of the opinion that the large exporting countries of the world will have to examine into the question of curbing excess production. As a matter of fact, a conference has recently been sitting in Geneva—I understand it is to move to London—with a view to effecting some agreement to limit the production of wheat.

At an international agricultural conference held in Geneva four years ago representatives of European countries strongly denounced those new-comers in wheat production who had so extensively disturbed the balance of trade in Europe. The villains in the play were Canada, Argentina, Australia and, to a large extent, the United States.

Hon. Mr. WEBSTER: Would the honourable gentleman include Russia?

Hon. Mr. DANDURAND: No, because up to 1928 or 1929 Russia had not been able to restore her exportation of wheat to the high level attained in 1912 and 1913; and I do not know whether that old level has been reached to this day. The complaint was that the so-called new-comers had disorganized the trade of Europe by their formidable exportations of wheat. Regardless of what Russia can or may do in the immediate future, there is, I believe, good reason for the other wheat producing countries getting together, as they are now doing, to see if, and to what extent, they can limit their own production.

I do not intend to examine into the schedules before us. It is always somewhat difficult to foresee the effect of such a convention as this. The treaty is a provisional one, and it may be that even twelve months from now it will still be difficult to determine to what extent the two countries have benefited. But, notwithstanding its restrictions, it is welcome, for it renews contact with France. I am sure that it will increase—I hope largely—the flow of goods from Canada to France.

The right honourable leader has mentioned products of the sea and the farm, like fish and apples, for which larger markets might be found in France; and in some parts of Canada we are in need of many things produced in France. Even under the general tariff there was a movement of goods between the two countries. I need not spend much time on the history of our conventions with France, but perhaps I may make a brief reference to the subject. In 1907 Hon. Mr. Fielding and Hon. Mr. Brodeur spent some three or four months in that country and signed a treaty, which we adopted in the session of 1908, I think. It was passed by the Chamber of Deputies in Paris, but was held up for a time in the French Senate, and ratification could not be secured until we had agreed to some slight amendment concerning our Canadian cattle.

In 1891, as my right honourable friend has said, there was in France a considerable movement, headed by Jules Méline, who afterwards became Prime Minister, for the increasing of tariffs on agricultural products. Since that time France has held to the principle of protection of agriculture, and consequently, with but a few exceptions, it has been difficult for Canadian farmers to enter the French market.

I think we stand to gain by this treaty, and I welcome it. I hope it will be continued and improved, but, as I have said, it will be some time before we shall be able to determine its actual results.

Right Hon. GEO. P. GRAHAM: Honourable members, I have absolute faith in the ability and honesty of the Secretary of State, and I am glad to know that the task of executing this treaty was placed in his charge. It is fortunate that he was not debarred because of his age from accomplishing this good piece of work. Although he is not exactly a young man, he cannot be called old.

Hon. Mr. DANDURAND: He is younger than my right honourable friend.

Right Hon. Mr. GRAHAM: He is just in his prime. I presume that if the life of the

agreement were not limited to one year, the effects of the treaty might be minimized by the same method that has been used in the past, the changing of minimum and intermediate tariffs; but neither country can do much along that line in twelve months. It is to be hoped that when a new treaty is signed it will be possible to make some arrangement for the discontinuation of this practice, which has the effect of abrogating the terms that are intended to benefit us.

I want to ask a question of my right honourable friend. The President of the United States has urged a truce in tariffs until the conclusion of the World Economic Conference in London. Will this treaty be a violation of that suggestion? Are Canada and France doing something that may have a derogatory effect on the negotiations among all the great nations with respect to tariffs?

President Roosevelt has spoken boldly, and I think economists everywhere agree with him that existing conditions cannot be greatly improved until every nation puts a stop to this mad practice of increasing the height of tariff walls. I think the people of all countries have come to the conclusion that no nation can live unto itself, and that lasting prosperity can be attained only by the international exchange of goods. Many years ago I heard an interesting lecture by the late Dr. Carman, who will be remembered by some honourable senators. He was at the time Bishop of the Methodist Episcopal Church in Canada. The lecture was entitled "Trade and Get Rich," and impressed me so strongly that I have never forgotten it. His argument was that if we are to be successful we must not isolate ourselves; that we cannot make money by changing jack-knives from one pocket to another; that we have to trade with other people and with other nations. I have asked his son to make a search for the manuscript of the lecture. The contents would be so appropriate just now, and would be so helpful to our people, that I would give something for the privilege of publishing them, and on copies that I distributed I should be glad to pay a higher rate of postage than is charged on newspapers.

I should also like to ask my right honourable friend whether there is anything in this treaty that will have any effect upon our wine producers. When the last treaty was made it was contended, if I remember correctly, that certain concessions given to French wine would react against the interests of our own producers, particularly in the Province of Ontario. An inquiry was made of me a short time ago as to how the present treaty compared with

the previous one in this respect, and I could not give the information. Of course, I realize that it is almost impossible to draw up an international agreement that will be satisfactory to everyone.

There is still another point on which I should like to be enlightened by the right honourable leader. When the treaty of 1922 was concluded with France the United States had in its Customs Act a clause that was known as the "Big Stick." It provided a penalty, in the form of a horizontal increase of twenty-five per cent in the tariff, against any country which gave to any other country trading advantages that were not accorded to the United States; but the President was empowered to issue a proclamation exempting any offending country from the application of the penalty. The late Mr. Fielding and I went to Washington to see the President and his advisers for the purpose of ascertaining under what conditions we could be relieved from the imposition of the penalty. We gave the United States some trivial advantages under our tariff, and the President issued a proclamation of exemption in favour of Canada. I should like to ask my right honourable friend if that "Big Stick" clause is still in force?

Right Hon. Mr. MEIGHEN: I think it is.

Right Hon. Mr. GRAHAM: It was a treaty with France that got us into the difficulty with the United States some ten or eleven years ago. Now, is it possible that the signing of the present treaty will give cause to the United States for raising its tariff against Canada?

Right Hon. Mr. MEIGHEN: I shall try to answer all the inquiries that the right honourable senator has put to me, but if I should omit to refer to any a reminder will be in order. His first question was about the so-called tariff truce requested by the President of the United States. My understanding—I do not want to commit the Government too far—is that this is in the nature of an appeal to the countries to whom it is addressed to take no action by way of tariff increases pending the holding of the Economic Conference. I do not know that the message goes so far as to request that there be no tariff reductions. This treaty provides for reductions in the tariffs of Canada and France, not for increases. Therefore there is no ground here for protest by the United States, or for the imposing of a special horizontal increase in duties on goods from this country.

The right honourable senator also inquired whether the wine producers of this country

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are affected by the terms of the treaty. I have heard of no protest on behalf of the wine producers. They did protest against the treaty of 1922, and, if I remember correctly, some changes were made to meet with their wishes. Honourable senators will see that wine, spirits and other beverages come under schedule D. In other words, they are among those French products which can enter Canada under our intermediate tariff. I do not think we could be expected to do less than give France the benefit of the intermediate tariff in respect of these goods. Had they been covered by schedule C they would have come under the intermediate tariff less 10 per cent, as in certain cases, or less 15 per cent, as in others. But they do not.

I invite the attention of the House to the goods that come under schedule A, and enter France under the French minimum tariff. There is no eyewash about them; they are very important articles of commerce. As the honourable senator from Calgary (Hon. Mr. Burns) knows, the schedule covers various kinds of meats, as well as a long list of other farm products and staple articles such as we have every hope of exporting. Surely this is an important schedule and well worth while.

I am sorry the treaty is not for a longer term. It is quite true it is, in one sense, subject to the criticism made of the 1922 treaty, in that the rates against us can be raised by France by the simple process of raising the minimum tariff, applied to schedule A, or the intermediate tariff, applied to schedule B. Conversely, we can do the same with respect to imports from France. But in the 1922 treaty there were thirty-two very important articles with respect to which we had no retaliatory power; whereas France could raise the tariff against our goods all along the line. She did so to such an extent as simply to strangle the treaty.

Before I sit down I wish to express my appreciation of the remarks of the right honourable senator from Eganville (Right Hon. Mr. Graham) with respect to the successful efforts of the Secretary of State. I do not often go out of my way to refer to individuals, particularly colleagues, but the amount of labour he has devoted to the negotiation of this treaty has been stupendous. How he stands the strain I do not know. It is a labour vigorously undertaken and successfully concluded.

Right Hon. Mr. GRAHAM: Hear, hear.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of this Bill.

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

CANADA-FRANCE CONVENTION BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 108, an Act respecting a certain Convention between Canada and France concerning the Rights of Nationals and Commercial and Shipping Matters.

He said: Honourable senators, this Bill might, I think, have been included in the other, which we have just passed, had it not been that the other contains certain cancellation clauses not applicable to this measure. In short, this Bill is intended to give effect to a convention between Canada and France concerning the rights of nationals and commercial and shipping matters.

Provision is made for the entry of Canadian nationals into France for business and other purposes, and similarly for the entry of French nationals into Canada; for the transport of Canadian goods in France at the same rates as apply to domestic goods, and corresponding rights to French goods in Canada; for the passage through France to another country of Canadian goods under terms as favourable as those generally applicable to similar goods of other countries in transit through France, and, of course, for corresponding rights to French goods in transit through Canada.

Provision is made safeguarding the rights of Canadian nationals in France in respect to litigation, giving them access to the French courts, either as plaintiffs or defendants, and placing them on a parity with French citizens. Honourable senators will notice in this connection the Latin phrase "cautio judicatum solvi." I should apologize, especially to the honourable leader on the other side (Hon. Mr. Dandurand), for stating that this simply means security for costs. It is the only thing that may be exacted from a Canadian national that is not exacted from a French national.

Then there is provision for mutuality of shipping rights, freedom of entry to ports, aid to shipwrecked crews and passengers—in short, the usual provisions appropriate to the relations existing between friendly nations.

I may add that in conformity with the latest evolution of our constitutional relations, the convention is made directly between the Canadian representatives and the French representative.

Hon. Mr. DANDURAND: The convention covered by this Bill is perhaps the first of its kind to come before Parliament for review and adoption, and it will be very interesting reading for those who make a study of the development of Canada's relations with the outside world.

My attention was arrested by article 8:

Each of the High Contracting Parties shall be at liberty to appoint consuls-general, consuls, vice-consuls and consular agents to reside in the towns and ports of the territory of the other to which such consuls or agents of any other State are admitted. Such consuls-general, consuls, vice-consuls and consular agents, however, shall not enter upon their functions until after they shall have been accepted and admitted in the usual form by the Government to which they are accredited.

This is in accordance with regular diplomatic usage.

The articles of the convention dealing with the entry of our ships into the ports of France lead me to remind my right honourable friend (Right Hon. Mr. Meighen) of my hope that when the Government undertakes to prepare a new Shipping Bill, to replace the measure discussed before our Banking and Commerce Committee for several weeks and finally withdrawn, it will consider the advisability of having our ships designated as Canadian ships. No one admires more than I do the splendid record of the British mercantile marine, but in my frequent travels abroad, whenever I was asked where I came from, I felt pride in answering, "I am a Canadian." It never occurred to me, and I do not think it would ever occur to any honourable member of this Chamber, to answer, "I am a Britisher." We are proud to belong to the British Commonwealth of Nations, but always it is perfectly natural for us to answer that we are Canadians. When we see one of our ships in a foreign port we should be able to recognize it at once by a distinctive flag and should experience a legitimate national thrill at the thought that before our eyes is a part and parcel of Canada—a Canadian ship. Therefore I would ask that the right honourable gentleman consider this matter when redrafting the Shipping Bill. When the redrafted Bill is before us next session I shall suggest, as I was ready to suggest this session, that our mercantile marine fly a distinctively Canadian flag. I think we might devise a suitable flag by superimposing a large maple leaf on the British merchant marine ensign. This composite flag could be readily recognized. The Canadian ensign has such niggardly space devoted to Canada's coat of arms that this feature is inconspicuous and the flag is not readily identified.

Hon. Mr. BALLANTYNE: Honourable senators, I am very pleased to hear the eloquent reference which the honourable leader on the other side (Hon. Mr. Dandurand) has made to Canadian ships. My honourable friend will no doubt remember that during the War, owing to so much tonnage having been sunk by enemy submarines, Canada felt it to be imperative to build a large fleet of modern freighters. Thereupon British plans and specifications were secured and sixty-three ships were constructed in the shipyards of Canada. I can imagine how my honourable friend was thrilled on seeing those ships in foreign ports, for each of them bore the prefix "Canadian." Probably he has at some time or another seen the Canadian Pioneer, the Canadian Farmer, the Canadian Explorer, the Canadian Constructor, and other similar ships.

Hon. Mr. DANDURAND: Some persons have claimed that that was their sole Canadian quality.

Hon. Mr. BALLANTYNE: I disagree with my honourable friend.

Hon. Mr. DANDURAND: I do not hold that view.

Hon. Mr. BALLANTYNE: Apparently my honourable friend has had a change of heart. When the Government of which I had the honour to be a member went out of office my honourable friend's Government sold those ships as quickly as possible. At that time the thrill of seeing Canadian ships on the seven seas did not appeal to him.

Hon. Mr. DANDURAND: At any cost?

Hon. Mr. BALLANTYNE: I need only say to my honourable friend that the ships cost \$50 a ton less than similar ships built across the line at the same time, and not nearly as good as ours. The quality of our ships has never been questioned.

Hon. Mr. DANDURAND: Will my honourable friend allow me? Doubtless he remembers that ours was not the only Government to dispose of its merchant ships. The Government to the south also felt the necessity of disposing of its excess ships.

Hon. Mr. BALLANTYNE: I think our neighbours to the south followed a very wise course. If we had been so imprudent as to build millions of tons of wooden ships, soon to become practically worthless, we should have been equally anxious to get rid of them. If our ships had been no more efficient than those built by our neighbours across the line, ours also should have been disposed of. But

Hon. Mr. DANDURAND.

it is not my intention to make a lengthy speech about Canada's merchant marine. I desire simply to compliment my honourable friend on his change of heart.

Hon. Mr. DANDURAND: Oh, no.

Hon. Mr. BALLANTYNE: No doubt, should his party ever come back into power, it will embark on an extensive programme of ship-building in order that he may experience many more thrills when he sees the ships in foreign ports.

Hon. Mr. GRIESBACH: I should like to express some sympathy with the proposal of the honourable leader opposite (Hon. Mr. Dandurand) that our ships should be known as Canadian ships. I should be willing to go a long way with him to bring this about if he would also suggest that we establish a Canadian consular service throughout the world and build a Canadian navy to protect our shipping. We ought to do this if we really desire to have our flag carried upon the seven seas. Then we shall experience all the thrills that he has described, and be able to look the whole world in the face, instead of depending on the British navy and the British consular service, which are maintained by a people much more heavily taxed than we are.

Hon. Mr. DANDURAND: Does my honourable friend really think we should have a navy to protect our merchant marine? If he will look around the world he will notice that more than forty trading nations feel no need of men-of-war to protect their merchant marine.

Hon. Mr. GRIESBACH: I would suggest that my honourable friend send to the Library for Jane's Registry of Fighting Ships. The author points out that every trading nation has a navy to protect its mercantile marine. If the honourable gentleman will read the Shipping Bill to which he has referred, and with which the Banking and Commerce Committee wrestled several weeks, he will notice the implication that if certain police measures had to be taken we would rely on the British navy. We dropped the Bill eventually because it was pointed out that we have no more power to command the consular service and the naval strength of Great Britain than we have to command the naval strength and the consular service of any foreign country. As I say, if he will consult Jane's book he will find that countries far below us in population, in shipping tonnage, and in the value of goods on the high seas at any given moment, feel called upon to maintain a real navy to protect their merchant ships in all parts of the world.

Hon. Mr. BEAUBIEN: I would ask my right honourable leader to shed some light on this Bill. From time to time I have studied treaties made by Canada with a view to granting most-favoured-nation treatment to various countries of Europe, and have found that they consisted of perhaps two or three paragraphs at most. This treaty is unique. It is much more than a commercial arrangement. I am led to wonder, therefore, whether we should not add to or implement the treaties we have made with those various other countries.

Let us look into the matter for a moment. This treaty provides for what I might call freedom of person: a Canadian in France is to be free to do what a national of that country is free to do. Such a provision is not necessary with respect to Canada; it is covered by our law. The second article, regarding freedom of property, makes a provision already contained in the law of Canada. The fourth article is a most extraordinary one: it provides that the nationals of either country, when in the territory of the other, shall be exempt from compulsory personal military service. Surely the law of Canada provides that no alien may be forcibly called to the colours. Am I wrong as to that?

Right Hon. Mr. MEIGHEN: Under our present law nobody can be forcibly called.

Hon. Mr. BEAUBIEN: Suppose there were compulsory military service as we had it during the War, surely aliens would be expected.

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. BEAUBIEN: Very good. Then it is provided in this treaty that the nationals of either country, when in the territory of the other, shall have free access to the courts of that other country. Do not aliens in this country already possess such a right? I know that at all events there is in the Civil Code of the Province of Quebec an article which enables foreigners to invoke the protection of the courts in just the same way that our nationals do. If they live outside the province they have to deposit security for costs. In this respect a man from Europe would be treated in the same way as a man from Ontario.

Freedom of commerce is provided for under article 6, and article 7 provides that companies, associations, and the like, incorporated by Canadians in France, shall be treated in the same way as incorporations of nationals.

The question that comes to my mind is this. If these provisions are useful and necessary, what is the situation with respect to

the treaties which we have made in the past, consisting of just two paragraphs, and under which most-favoured-nation treatment was granted to Italy, Germany, Sweden and Norway? Those treaties must be most inadequate. If a provision protecting our nationals in France against compulsory military service is necessary, what about our nationals in Germany or in Italy? Knowing that this treaty has been carefully drafted by a man of the ability and character of the Secretary of State, I am impelled to inquire, not whether these terms are useless, but whether our treaties in the past have not been woefully incomplete. I draw this matter to the attention of the Government because I think there must be some reason for the inclusion of these provisions in the treaty now before us.

Hon. Mr. DANDURAND: To which France has agreed.

Hon. Mr. BEAUBIEN: Both parties have agreed to them. Would it not be wise for us to consider the numerous treaties made during the last five or six years? If upon examination they are found to be incomplete, should they not be completed without delay?

Right Hon. Mr. MEIGHEN: Speaking generally, this treaty is set out in more detail than those referred to by the honourable gentleman. I may say in parenthesis, however, that I do not recall the treaties to which he refers. I shall revert to this point in a moment.

The treaty before us does a great deal more than merely grant favoured-nation treatment to Canadian nationals, Canadian corporations and Canadian shipping interests in France; it puts them on a parity with French citizens in many respects. It is true that in Canada today we do likewise as far as French nationals are concerned, but if it were not for the treaty engagement the situation could be changed at any moment. In view of the treaty, we, and similarly France, have to respect contractual rights now existing.

The honourable gentleman mentioned the brevity of certain treaties with other countries. He may be right, but I do not know to just what countries he refers. Until very recently the practice was that Canada made no such treaties, but was included in treaties made by Great Britain, and in the execution thereof the Canadian plenipotentiaries joined with the British.

I will now read from a memorandum which I think will clear up the point. I think I have carried the subject far enough to make this intelligible.

Later, the resolutions of the Imperial Conference in 1926 prescribed that no treaty could

be concluded by the Government of the United Kingdom, which would impose obligations upon any of the Dominions, without the expressed consent of its Government, and the provisions of the resolutions regarding communication and consultation precluded the negotiation by the United Kingdom of treaties conferring benefits or obligations upon the Dominions, or upon their nationals or national interests, without the authorization of their governments.

Similar problems arose from the conclusion of various multilateral conventions, especially at Geneva under the auspices of the League of Nations, in which the Dominions were separate parties, and which conferred not only benefits and privileges, but also responsibilities and duties on the governments concerned, and also upon Dominion nationals, Dominion corporations and Dominion shipping.

It has more recently appeared that foreign countries are rather reluctant to accord in treaties with the United Kingdom, special rights or privileges to Dominion nationals, corporations and shipping, particularly in treaties and conventions to which the Dominions were not parties and in respect to which the Dominions did not grant reciprocal benefits and privileges.

Under the existing constitutional practice, there are two possible courses available in the negotiation of commercial conventions. Following the first course, the convention may be negotiated by a representative of one part of the British Commonwealth, usually the United Kingdom, a separate full power being granted in respect of each of the other autonomous parts of the British Commonwealth that desires to avail itself of the benefits of such treaty and become subject to all or part of its obligations.

The second course is for each member of the Commonwealth to negotiate its own commercial conventions, confining the operation of such conventions to its own territories and to its own nationals, corporate enterprises and shipping, and, conversely, confining the obligations assumed under the convention to the Dominion concerned. It is this course which has now become the normal procedure and which has been followed in the negotiation and conclusion of this convention.

Hon. Mr. BEAUBIEN: If the right honourable gentleman will allow me, I would say that all the treaties I refer to have been made by Canada alone.

Right Hon. Mr. MEIGHEN: With whom, for example?

Hon. Mr. BEAUBIEN: With Italy.

Right Hon. Mr. MEIGHEN: Those are tariff treaties.

Hon. Mr. BEAUBIEN: Certainly they are tariff treaties. We have no other treaties with those countries. Now we are making a tariff treaty with France. I concede the need of making another treaty. But, if it is necessary that freedom of person, freedom of access to the courts, freedom to purchase and hold property in France, be provided for in the treaty, why is it not necessary in the treaties

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with other countries? I do not want to be understood as saying that this treaty is useless; far from it. The fact that these provisions appear in the Bill are to me *prima facie* evidence that they are necessary. Then I say, if you feel the necessity of including such provisions as exemption from military service in a treaty with France, there are a thousand reasons why a similar precaution should be taken in respect to treaties with other countries.

Right Hon. Mr. MEIGHEN: Japan, for example.

Hon. Mr. BEAUBIEN: And Germany and Italy, where practically everybody is under arms.

Right Hon. Mr. MEIGHEN: This is all part of the consequence of our enjoyment, as I will term it, of the new constitutional status. Under the old conditions we occupied in other countries the position of British citizens. We were entitled to the benefit of any treaty made by Great Britain on behalf of her nationals with any country in the world. When we emerge from the umbrage of that condition it becomes necessary that we should negotiate for ourselves any special rights we desire; otherwise all we could rely upon would be the comity of nations—what might be described as the common law of nations. This treaty hereafter will regulate the conditions under which Canadian nationals, corporations and shipping interests will operate in French territory, and in respect of these matters, so far as France is concerned, we shall be regarded as having removed from the anchorage of any British treaty. I will not go so far as to say—in fact, I do not think it would be true—that we are removed from the coverage of British treaties with other countries. If those treaties do not protect our rights in other countries, we simply rely on the comity or the common law of nations. I should think, however, that we still enjoy the same advantages as are enjoyed by subjects of the United Kingdom. It is in contemplation that we should now make our own treaties if we want something better than the common law of nations; and as we make them, one by one, we shall become dependent upon them, and them alone, and not upon any treaty previously negotiated, nor upon the common law of nations.

Hon. Mr. BEAUBIEN: May I ask just one question? When we negotiated alone with various countries of Europe were we removed from the protection of Great Britain and accepted as a separate nation? We were then

as we are to-day. As we sit alone to-day facing France at the treaty table, so we then sat alone and faced those different nations of Europe. I could mention them all. Within the last five or six years twenty-two countries, I think, have been granted most-favoured-nation treatment.

Right Hon. Mr. MEIGHEN: In our tariff?

Hon. Mr. BEAUBIEN: By special treaty.

Right Hon. Mr. MEIGHEN: But if we do not purport to cover these subjects we rest where we were before.

Hon. Mr. BEAUBIEN: Are we covered by Great Britain?

Right Hon. Mr. MEIGHEN: Yes. Shipping interests, for example, would come under the Imperial Shipping Act.

Right Hon. Mr. GRAHAM: We are covered now.

Right Hon. Mr. MEIGHEN: Yes, we are covered now.

Hon. Mr. BEAUBIEN: And as regards protection of the person?

Right Hon. Mr. MEIGHEN: Oh, yes.

Hon. Mr. BEAUBIEN: And the holding of property?

Right Hon. Mr. MEIGHEN: There would be the common law of nations, or a special treaty made by Great Britain on behalf of British subjects.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

APPROPRIATION BILL NO. 5

SECOND AND THIRD READINGS

Bill 109, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1934.—Right Hon. Mr. Meighen.

CRIMINAL CODE BILL

COMMONS DISAGREEMENT WITH SENATE AMENDMENT

On the Order:

Consideration of a message from the House of Commons to acquaint this House that they disagree with the amendment made to Bill 71, an Act to amend the Criminal Code.

53721—36½

Right Hon. Mr. MEIGHEN: Honourable senators, I move:

That the Senate do not insist on its first amendment to Bill 71, intituled "An Act to amend the Criminal Code," but substitute the following in lieu of the said amendment:

Page 2, line 14. Add the following as a proviso to subsection 2 of section 3:

Provided that this subsection shall not apply in the case of two persons who though in fact living in adultery are living apparently respectably as man and wife and where the children affected are the children of such union.

This addition to subsection 2 would entirely remove from the purview of the Bill the kind of case referred to by the honourable gentleman opposite (Hon. Mr. Dandurand). That being so, I think this House would have no objection to subsection 3, which we previously thought should be deleted. That is the subsection which makes it an irrebuttable presumption that a child is in danger of being or becoming immoral in certain circumstances.

While on my feet may I call attention to the fact that the House of Commons, in its message informing us of its disagreement with our amendment to section 3, has made no reference at all to our other amendments to this Bill. There appears to have been an inadvertent omission, and I ask that you, Mr. Speaker, call the attention of the House of Commons to this omission.

Hon. Mr. DANDURAND: My summise would be that our other amendments are concurred in.

Right Hon. Mr. MEIGHEN: But there must be a specific statement.

Hon. Mr. DANDURAND: The right honourable leader has moved that we do not insist upon our previous amendment to section 3, but that we add to subsection 2 of that section the proviso which he has read. I am not the only member of this Chamber who feels that there is some danger in the latitude which the Bill gives to magistrates. Very much will depend upon the spirit in which the law is applied. However, the important consideration is the protection of children, and for this reason I intend to register no opposition to the procedure suggested by the right honourable gentleman.

The Hon. the SPEAKER: I have asked the Clerk to prepare a message to the House of Commons drawing attention to the omission to refer to a number of amendments made by the Senate to this Bill.

The motion was agreed to.

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

THE SENATE

Thursday, May 18, 1933.

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

Prayers and routine proceedings.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. TANNER presented the report of the Standing Committee on Banking and Commerce on Bill F1, an Act to incorporate the Discount and Loan Corporation of Canada, and moved concurrence therein.

He said: This Bill has been amended by the Committee for the purpose of bringing it into conformity with existing statutes relating to similar corporations. As amended it meets with the approval of the Superintendent of Insurance. Under the circumstances, perhaps the House will be prepared to concur in the amendments now in order to facilitate the passage of the Bill.

The motion was agreed to.

THIRD READING

Hon. Mr. TANNER moved the third reading of the Bill.

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

EXPENSES OF BEAUHARNOIS INQUIRY

Before the Orders of the Day:

Right Hon. Mr. MEIGHEN: Honourable members, on May 3, on the authority of the honourable senator from Manitou (Hon. Mr. Sharpe), Chairman of the Committee on Internal Economy, this House was informed that \$4,395.17 was all the expenditure chargeable to the Senate in respect of the Beauharnois Inquiry. He has since advised me that this expenditure relates to 1932 only. The accounts up to March 31, 1933, have not yet been audited. These contain a further expenditure of \$14,002.16, which will appear in the report of the Committee next session. It will be seen that the total expenditure is \$18,397.33.

PENSION BILL

MEMBERSHIP OF APPEAL COURT

Before the Orders of the Day:

Right Hon. Mr. MEIGHEN: Yesterday, on the third reading of the Pension Bill, the honourable senator from Lauzon (Hon. Mr. Bélard) moved in amendment to the section dealing with the Appeal Court that "one member of the Court shall be an experienced

The Hon. the SPEAKER.

medical graduate." I stated there was much to be said in favour of the selection of a doctor as one of the members of the Court, that consideration would be given to the honourable senator's proposal, and that, as no doubt the President of the Court, Judge Hyndman, would be consulted, I felt that if he agreed with the suggestion a medical man would be selected. Thereupon the honourable senator withdrew his amendment. At the time I made the statement I thought that while the Pension Act made it obligatory on the Government to appoint as President a judge, or a lawyer of ten years' standing, this obligation did not extend to the qualifications of the other members. I think the honourable senator opposite was under the same impression. I find, however, that the section dealing with these appointments reads:

A person appointed a member of the Court shall be a person who is or has been a judge of a Superior Court or of a County or District Court of any of the provinces of Canada, or a barrister or advocate of at least ten years' standing at the Bar of any of the said provinces.

Since having recourse to the exact wording of the statute, I have made inquiries and find the point was dealt with by the committee. The committee was unanimously of the opinion that, the duties of the Appeal Court being purely of a judicial character, its members should be qualified by training from that standpoint. Consequently the Act so reads.

Hon. Mr. BELAND: I was under the impression that only the Chairman of the Court had to be a judge or a barrister.

Right Hon. Mr. MEIGHEN: It was my impression, too.

Hon. Mr. BELAND: I beg to differ with the right honourable gentleman's statement that the matters which come before the Appeal Court are purely of a legal nature. Within the past four or five days I have read a judgment of the Appeal Court giving its reasons for confirming a decision of the lower court. These reasons are based on the nature, etiology and development of the applicant's disease. I was very much surprised to find that the Court had such an intimate knowledge of medical science. Of course, I may be told that it had the advantage of medical advisers. I am inclined to agree; otherwise I should think the court could not render such a decision. But this makes my point all the stronger.

Right Hon. Mr. MEIGHEN: I did not say the functions of the Appeal Court were purely judicial. I was rather impressed with the honourable senator's argument. But the Pen-

sion Committee came to the conclusion that the functions were judicial. The honourable senator should keep in mind that medical and other scientific questions are frequently under review in our courts, and the judge has to decide between conflicting expert views on many subjects. Nevertheless his function is judicial.

Hon. Mr. BELAND: Undoubtedly that is the case in the civil courts.

RADIO BROADCASTING BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 99, an Act to amend the Canadian Radio Broadcasting Act, 1932.

He said: Honourable members, this Bill is brief, differing in this respect from many others that have come before us. I have not been favoured with any analysis of the principles of the Bill, nor any data constituting its *raison d'être*. On the contrary, three issues of Hansard of the House of Commons, containing ninety-five pages of debate, have been sent to me in the belief, no doubt, that I had plenty of time to digest this awful mass. However, a study of the Bill and of some of the debate enables me to make a statement with regard to this measure.

Section 1 merely provides for the removal of the technical and professional officers of the Canadian Radio Broadcasting Commission from under the operation of the Civil Service Act and makes them appointable by the Commission, subject to the approval of the Governor in Council. Clerks and all other remaining employees continue to be under the authority of the Civil Service Commission. This, it seems to me, is in accord with the practice which has developed and grown since the Civil Service Act was passed, of leaving under the authority of the Civil Service Commission only such appointments as would naturally become the prey of the patronage system.

Paragraph b of section 2 of the Bill makes the acquirement of private radio stations by the Radio Commission, either by lease or by purchase, subject to the approval of the Governor in Council. Under the previous law this was subject to the approval of Parliament. Of course Parliament has to approve in any event, for it has to vote the money; but in the actual working of the law the Governor in Council must approve, so that there may be continuity of operation. Similar remarks apply to paragraph c of this section, which refers to the construction of new radio stations.

Section 3 of the Bill provides:

The Commission may expend for the purposes of this Act the moneys appropriated by Parliament for such purposes, together with such sums of money as may be received by the Commission from any business carried on by it under this Act.

From a reading of this section by itself one might suppose it to be contemplated that the Commission would use not only the receipts from its own operations, but also supplementary moneys voted by Parliament. I have made special inquiries and find that this is not what is contemplated; nor is it provided for by the Bill as a whole. On the contrary, the Commission may spend only what moneys it receives from its operations under the Act. Over and above the receipts there is no vote out of the Consolidated Revenue Fund, nor is there provision for the payment of any moneys. Subsection 2 of this section makes clear what I have just explained.

Subsection 3 of section 3 provides:

The Commission shall present to the Minister of Finance annually an estimate of the expenditure proposed to be made by it during the fiscal year, and the Minister of Finance shall from time to time pay into a chartered bank to the credit of the Commission moneys appropriated by Parliament for the purposes of the Commission.

It appears that the receipts of the Commission from certain sources go into the Consolidated Revenue Fund and are revoted by Parliament. The new feature of this subsection is the requirement that the Commission shall present to the Minister of Finance an estimate of the expenditure proposed to be made by it.

The last clause of the Bill provides:

This Act shall expire on the thirtieth day of April, 1934.

I have not sufficient information to enable me to tell the House why such an early mortality is fixed for this measure. I did not reach this point in reading the large mass of matter which was thrown at me; but I do not think the House will defeat or resist the Bill because it deems the death too early.

Right Hon. GEO. P. GRAHAM: Honourable members, life insurance companies, when the risk is great, issue policies for only a very short period. The Government may have had the same principle in mind with regard to this measure. I will not say anything about the Radio Commission or its work, but what I have said before I will reiterate—that I do not think it fair to the people of this country at this time that the money which they

contribute for radio or any other purpose should be spent on this Commission.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

TARIFF BOARD BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 100, an Act to amend the Tariff Board Act.

He said: Honourable members, the purpose of this Bill is merely to increase the salary of the Chairman of the Tariff Board to \$15,000, and to provide the terms upon which, after ten years of service, he may be superannuated. Honourable members will recall, of course, that in the Tariff Act it was provided that the Chairman of the Board must be a judge of one of our higher courts. In pursuance of the Ottawa agreements of last year the Chairman of the Board has to perform certain functions which require great business capacity, a very comprehensive knowledge of Canadian business conditions, and the possession of judicial qualifications of a high order. The judicial decisions he has to render affect not only our own country, but also other countries of the Empire.

I am sure it has not been the desire of the Administration to increase expenditure, but it has felt that the very best man available must be secured, and the salary necessary to induce him to accept the position must be paid. Honourable members might be surprised to know how reluctant judges of the higher courts are to leave the Bench—I mean not at the age of seventy-five, but at any time—to take a position where their work will be the subject of public criticism, to which they are not permitted to reply.

Right Hon. GEO. P. GRAHAM: Honourable senators, when the first Tariff Board was organized, the chairman—

Right Hon. Mr. MEIGHEN: Was a good man.

Right Hon. Mr. GRAHAM:—was not paid any such salary as is proposed here. I presume he was not as competent as the present chairman. There was no plan prepared for him, no foundation on which he could build, and he was compelled to develop his organization in the way that seemed best to him as time went along.

Right Hon. Mr. GRAHAM.

I admit the ability of the gentleman who is chairman of the present Board, but I am not so ready to enthuse over his colleagues. The Government seemed to be sincerely desirous of getting the very best man for chairman, but to my mind it slipped a little when appointing the other members. I have nothing to say against these gentlemen personally, but I know that at least one of them is not overburdened with experience in dealing with matters of the kind that the right honourable gentleman has said will come within the purview of the Board.

When a former Government was trying to induce a member of one of the superior courts to become Chairman of the Board of Railway Commissioners, objection was raised by some people that his legal ability was perhaps not as great as that of some other judges. My reply always was, "That is one of the reasons I am recommending him." By that I meant no reflection on Bench or Bar. Although it is true that the members of that Board have to make decisions which are not only practical from a railway point of view, but sound in law as well, there are times when they must treat the law with a certain amount of disrespect. That holds good for all boards of this nature. The reason is that from time to time there arise new conditions to which no existing law can be applied. I say without hesitation that the late Judge Mabey has never had a superior as Chairman of the Board of Railway Commissioners. In travelling through the country, when he found conditions which it seemed were not covered by any section of the Railway Act, he would make a decision that he thought was practical. Ninety-nine per cent of such decisions when reviewed were sustained, and very often the Act itself had to be amended to conform to them. Similarly, I presume, among all the detailed problems that will have to be faced by the Tariff Board there will occasionally be some for which no solution can be found within the four corners of the Customs Act.

I am in favour of a Tariff Board. At one time I displeased some of my friends by voting in this House for the appointment of such a Board; but I had had some experience, of which neither Parliament nor the Government was aware, that convinced me that such a Board would relieve Parliament and the Government of many burdens. Sometimes, for the reason that changes are not made, it will be said, as it was in my time, that in certain matters the Tariff Board has done nothing. But that is no reason on which to base a judgment of the work done by the Board. It renders very valuable service by thoroughly investigating facts, and the evidence it col-

lects often proves to the Administration that an application should not be granted.

Just one more point. The Chairman of the Tariff Board is an able man, who stands very high in his profession. I hope, though, that so long as most other salaries are being reduced we shall not be called upon again to increase that of the chairman.

Right Hon. Mr. MEIGHEN: With regard to the criticism of the other two members of the Board, I may say that I am acquainted with only one of them. I have formed a very high opinion of his common sense, his capacity for hard work and his absolute fairness of intention. It is my belief that he will make a very capable official. All I can say of the other member is that he was very highly recommended. I think I am disclosing no secret which should not be disclosed when I say that one of these positions—I am not referring to the chairmanship now—was offered to a gentleman who occupies a high office, and whose appointment had been made by the late Government, of which the right honourable senator from Eganville (Right Hon. Mr. Graham) was a member, and although the salary attaching to that office is, I am confident, less than the official would have received had he accepted the offer, the utmost persuasion failed to induce him to accept it. There certainly was no party purpose in the making of any appointment to the Tariff Board.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

Right Hon. Mr. GRAHAM: This is really a money Bill, anyway.

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

BUSINESS OF THE SENATE

On the motion to adjourn:

Right Hon. Mr. MEIGHEN: In moving that we adjourn until to-morrow afternoon, I should perhaps remind honourable senators that there are further bills to come before us. We may receive a message with respect to our amendments to the Criminal Code Bill. The Shipping Bill is still in the other House, where I believe it is under consideration at this moment; and a highly contentious measure is also the subject of review there, as honourable members know. It is utterly impossible to say when Parliament may be pro-

rogued. I feel it necessary to say that, contrary to my desire, we shall not prorogue to-day, and I have no reason to expect we shall to-morrow.

Right Hon. Mr. GRAHAM: I think even we on this side of the House will agree with the right honourable gentlemen on that.

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

THE SENATE

Friday, May 19, 1933.

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

Prayers and routine proceedings.

PRIVATE BILL

THIRD READING

Bill 102, an Act respecting a certain patent of Genter Thickener Company.—Hon. Mr. Horsey.

BUSINESS OF THE SENATE

On the Orders of the Day:

Right Hon. Mr. MEIGHEN: Honourable senators, all the legislation that has come before us for consideration has been disposed of. I regret to advise the House that there is no business for us this afternoon from the House of Commons, and as the status quo persists, I suggest that we adjourn until eight o'clock.

Right Hon. Mr. GRAHAM: It is now six o'clock.

At six o'clock the Senate took recess.

The Senate resumed at eight p.m.

CRIMINAL CODE BILL

COMMONS DISAGREEMENT WITH SENATE AMENDMENT

The Hon. the SPEAKER informed the Senate that a message had been received from the House of Commons stating that that House disagreed with the Senate amendment to Bill 71, an Act to amend the Criminal Code, for the following reason:

Because the wording of the said amendment may be deemed to involve a principle which it may not be advisable to sanction in an Act of Parliament.

Right Hon. Mr. MEIGHEN: Honourable members, I have a motion to make which if passed here would, I think, be acceptable to the House of Commons. Honourable members will recall the Bill to amend the Criminal Code, which came to us from that House. In section 3, an important one, containing five subsections, the Senate made three amendments. The Commons objected to only one of these, namely, our amendment to strike out subsection 3 of section 3. Subsection 2 provided that it would be an offence for any person to be guilty of habitual drunkenness or participation in adultery to the deterioration of the morals of children who resided in the house where the acts were committed; and subsection 3, which the Senate struck out, provided that if there were children in such a house, whatever their age or the circumstances under which they were living, it would be an irrefutable presumption that the children were in danger of being or becoming immoral.

On receiving from the House of Commons a message to the effect that it disagreed with our amendment striking out subsection 3, we decided not to insist upon the striking out of this subsection, but we substituted an amendment in the form of a proviso to modify subsection 2 so as to except from its operation a man and a common law wife who were living together and had a child or children of their union living with them. It seemed quite obvious to this House that it would be a grave mistake to pass legislation which would virtually compel that man and his common law wife to abandon their own children. We were willing to have the irrefutable presumption apply in all other cases, however, and therefore, with the insertion of that proviso, we had no objection to the restoration of subsection 3.

But the House of Commons disagrees with the proviso, on the ground that to exempt a man and his common law wife and their children from the operation of subsection 3 would seem to be giving parliamentary sanction to adultery. The suggestion that the proviso would be in danger of being publicly interpreted in such a way strikes me as exceedingly far-fetched.

If the Senate passes the motion I am about to move, subsection 2 will remain as it was in the original Bill, without any proviso, and subsection 3 will be deleted, as we at first desired it to be. I make this explanation because the effect of the motion may not be clear from the mere reading of it. I move:

The Hon. THE SPEAKER.

That the Senate do not insist upon its amendment in lieu of its first amendment made to Bill 71, an Act to amend the Criminal Code, but do insist upon its first, second and third amendments originally made to the Bill, for the following reasons:—

1. Because the provisions of subsection 3 of section 3 involve a principle which may not be advisable to sanction in an Act of Parliament.
2. This amendment is consequential.
3. Because the words struck out should never have been included.

Reason No. 1 applies to our first amendment, which is for the deletion of subsection 3 of section 3. Reasons Nos. 2 and 3 apply respectively to our other amendments, those we made to subsection 6 of section 3.

The motion was agreed to.

BUSINESS OF THE SENATE

Right Hon. Mr. MEIGHEN moved:

That when the Senate adjourns to-day, it do stand adjourned until to-morrow at three o'clock in the afternoon.

He said: This motion for adjournment until three o'clock to-morrow afternoon requires unanimous consent, which I earnestly trust will be granted, for the reason that there is hope—I do not know how slender or how firm—that in the meantime the Shipping Bill, possibly with an amendment, and the Redistribution Bill will be received from the other House. If they are, Parliament can be prorogued some time to-morrow.

I sincerely wish I could be more definite. I can assure honourable members that I do not think anyone's convenience is more disturbed than my own by this uncertainty.

The motion was agreed to.

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

THE SENATE

Saturday, May 20, 1933.

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

Prayers and routine proceedings.

CANADA SHIPPING BILL

CONSIDERATION OF COMMONS AMENDMENTS

The Senate proceeded to consider a message from the House of Commons, returning Bill C1, an Act to amend the Canada Shipping Act, with two amendments.

Right Hon. Mr. MEIGHEN: Honourable senators, there are two amendments. Subsection 3 of section 414 as contained in the Bill passed by this House provided that the pilotage authority might be the Minister, the Acting Minister or the Deputy Minister. All were clothed with power and were in the position described in law as *persona designata*. The first amendment made by the House of Commons changes subsection 3 to read:

Whenever the Minister is appointed as pilotage authority for any district, his successors in office or any Acting Minister or, in the absence of the Minister, his lawful deputy, shall be the pilotage authority, and any such pilotage authority may by by-law confirmed by the Governor in Council, authorize the superintendent of pilots in the district to exercise any of his functions. Moreover, such pilotage authorities may, for such time or such purpose as he may decide, authorize any person to exercise any particular function or power vested in the pilotage authority by this Act or any by-law made hereunder.

Clearly the purpose is to meet the views of the pilotage people. We should like to meet their views, if possible, but I must say very definitely that the meaning of the Commons amendment is most uncertain, and the effect would be, I am sure, most unsatisfactory. For instance, it says:

Whenever the Minister is appointed pilotage authority for any district, his successors in office or any Acting Minister may act for him

"Any Acting Minister" might mean the Acting Minister of Labour. I presume the courts would hold that it meant the Acting Minister of the Department of Marine and Fisheries; but it is clumsily expressed. Here is the great difficulty. It says:

or, in the absence of the Minister, his lawful deputy, shall be the pilotage authority.

If the Minister is absent, where does the Acting Minister come in? Apparently the Acting Minister can act only when the Minister is present. Further, what does the word "absence" mean? Absence from where? Does it mean absence from the place where the pilotage is to be exercised, or absence from Ottawa? I do not know, and I do not think a court would know.

Clearly it was the intention to yield to the wishes of the pilotage people by making the Minister or the Acting Minister the real authority. I do not think this House would be justified in defeating the intent of this first amendment by the Commons. I do not see that the intent is desirable, but, on the other hand, it seems to me that it is not of sufficient importance for us to resist it. I move:

That the following changes be made in subsection 3 as amended by the House of Commons:

Line 3. Strike out the word "acting." After the word "Minister" insert the words "acting for him."

Line 4. After the word "absence" insert the words "from Ottawa." After the word "Minister" insert the words "or any Minister acting for him."

Subsection 3 as so amended would then read:

Whenever the Minister is appointed as pilotage authority for any district, his successor in office or any Minister acting for him or, in the absence from Ottawa of the Minister, or of any Minister acting for him, his lawful deputy shall be the pilotage authority. . . .

And so forth.

The second amendment made by the House of Commons is this:

Page 5, between lines 41 and 42, immediately after clause 1, insert the following clause:

1A. Subsection 12 of section 1 of this Act shall come into operation on a date to be fixed by proclamation of the Governor in Council to be published in the Canada Gazette.

I do not desire, nor do I think the House would, to oppose that amendment, but it seems to me there should be a change in the wording to make it conform to the phrasing adopted elsewhere in the Act. I would therefore add to the motion:

That the clause inserted by the second amendment of the House of Commons be changed to read as follows:

1A. Paragraph 12 of section 1 of this Act shall not come into operation until a date to be fixed by the Governor in Council and proclaimed in the Canada Gazette.

Right Hon. GEO. P. GRAHAM: Honourable members, I am not strongly in favour of providing that a statute shall come into force by proclamation, because such a provision is like an axe held over the heads of the people interested, and it may drop when least expected. However, I presume there would be some consultation before the proclamation would be issued.

Referring to the right honourable gentleman's suggestion that the words "from Ottawa" be added after the word "absence," it seems to me that if that were done some difficulty might arise. For instance, a Minister might be absent from his office through illness, and though he were still in Ottawa he would be for official purposes absent, just as if he were far distant from the Capital. Would it be wise to change the wording to "absence from Ottawa or through illness"?

Right Hon. Mr. MEIGHEN: No; because such a contingency is covered. If the Minister is ill in Ottawa the Acting Minister could substitute for him.

Right Hon. Mr. GRAHAM: But the Deputy could not.

Right Hon. Mr. MEIGHEN: The Deputy could not. But in the absence from Ottawa of both the Minister and an Acting Minister, then the Deputy could act. The point raised by my right honourable friend would be more applicable to the amendment as worded by the House of Commons. The Acting Minister will always be competent under the amendment.

Right Hon. Mr. GRAHAM: But there would have to be an Order in Council appointing an Acting Minister in any special circumstances. Suppose a deputation arrived here with an appointment to meet a Minister, who was taken suddenly ill. Nothing could be done until the Cabinet appointed an Acting Minister.

Right Hon. Mr. MEIGHEN: No. All that is involved because of the stand taken by the pilots.

Hon. Mr. HORSEY: I think the amendment made by the House of Commons to paragraph 12 of section 1 of the Bill is better without the change in wording suggested by the right honourable gentleman. The intention is to state that the Act shall come into force by proclamation.

Right Hon. Mr. MEIGHEN: I believe that unless there is a provision to the contrary an Act comes into effect when approved by the three estates of the realm, that is, after it has passed both Houses and received the assent of the Governor General. When it is desired that this result shall not follow it is necessary to say that the Act shall not come into effect until a date to be fixed by proclamation.

Right Hon. Mr. GRAHAM: Or to name a date.

Right Hon. Mr. MEIGHEN: Yes, or to state that the Act shall not come into force until a specified date.

The motion was agreed to.

It was ordered:

That a message be sent to the House of Commons to return the Bill (C1) intituled: "An Act to amend the Canada Shipping Act," and to acquaint that House that the Senate have substituted other amendments for the amendments made by the House of Commons to the said Bill, to which they desire their concurrence.

The Senate adjourned until Tuesday, May 23, at 8 p.m.

Right Hon. Mr. GRAHAM.

THE SENATE

Tuesday, May 23, 1933.

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

Prayers and routine proceedings.

THE ROYAL ASSENT

The Hon. the SPEAKER informed the Senate that he had received a communication from the Assistant Secretary to the Governor General, acquainting him that the Right Hon. Lyman P. Duff, Chief Justice of Canada, acting as Deputy of the Governor General, would proceed to the Senate Chamber this day at 8.15 p.m. for the purpose of giving the Royal Assent to certain Bills.

The Senate adjourned during pleasure.

The Right Hon. Lyman P. Duff, the Deputy of the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Right Hon. the Deputy of the Governor General was pleased to give the Royal Assent to the following Bills:

An Act respecting the Canadian National Railways and to authorize the provision of moneys to meet expenditures made and indebtedness incurred during the calendar year 1933 and to authorize His Majesty to make loans and advances to the Canadian National Railway Company.

An Act to amend the Railway Act.

An Act to amend the Excise Act.

An Act to amend the Customs Act.

An Act to amend the Soldier Settlement Act.

An Act to authorize the Governor in Council to agree to extend by proclamation the duration of the Trade Agreement made between Canada and New Zealand, dated the twenty-third day of April, one thousand nine hundred and thirty-two, as approved by chapter thirty-four of the Statutes of 1932, entitled An Act respecting a certain Trade Agreement between Canada and New Zealand.

An Act respecting Extra-territorial Operation of Acts of the Parliament of Canada.

An Act respecting the Canadian National Railways and to provide for co-operation with the Canadian Pacific Railway system, and for other purposes.

An Act for the relief of Birdie Glickman Steinberg.

An Act for the relief of Harry Prupas.

An Act for the relief of Olga Shidlowskaya Lowrey.

An Act for the relief of Emily Florence Lawrence Knight.

An Act for the relief of Marjorie Bertha Willcox.

An Act for the relief of George Andrew Carruthers.

An Act for the relief of Liliias Torrance Newton.

An Act for the relief of Hilda Mary Falkenberg Gilmour.

An Act for the relief of Eva Amy Falle Jordan.

An Act for the relief of Joseph Claremont Carroll.

An Act for the relief of Venita Angeline Scotten Kendall.

An Act for the relief of Angelo Stavrov.

An Act respecting The Quebec, Montreal and Southern Railway Company.

An Act to incorporate The Sarnia-Port Huron Vehicular Tunnel Company.

An Act to facilitate Compromises and Arrangements between Companies and their Creditors.

An Act to amend the Customs Tariff.

An Act to amend the Indian Act.

An Act to amend the Post Office Act.

An Act to amend the Special War Revenue Act.

An Act to authorize the raising, by way of loan, of certain sums of money for the Public Service.

An Act to amend an Act respecting Canadian and British Insurance Companies.

An Act to amend the Senate and House of Commons Act.

An Act to confirm an agreement made between the Vancouver, Victoria and Eastern Railway and Navigation Company and the Northern Pacific Railway Company.

An Act to amend the Income War Tax Act.

An Act respecting a certain Trade Agreement between Canada and France.

An Act respecting a certain Convention between Canada and France concerning the Rights of Nationals and Commercial and Shipping Matters.

An Act to amend the Canadian Radio Broadcasting Act, 1932.

An Act to amend the Tariff Board Act.

An Act respecting a certain patent of Genter Thickener Company.

An Act to amend the Pensions Act.

An Act to incorporate The Discount and Loan Corporation of Canada.

The Right Hon. the Deputy of the Governor General was pleased to retire.

The House of Commons withdrew.

The sitting of the Senate was resumed.

The Senate adjourned until Thursday, May 25, at 3 p.m.

THE SENATE

Thursday, May 25, 1933.

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

Prayers and routine proceedings.

ADJOURNMENT—PROROGATION

Hon. Mr. CALDER moved:

That when the House adjourns to-day it do stand adjourned until to-morrow at noon.

He said: I understand there is very little likelihood of the other House concluding its business before to-morrow. Indeed it may then be necessary to move a further adjournment. We do not know definitely when prorogation can take place.

The motion was agreed to.

CRIMINAL CODE BILL

COMMONS DISAGREEMENT WITH SENATE AMENDMENT

On the motion to adjourn:

Right Hon. Mr. GRAHAM: Has the other House accepted our amendments to the Criminal Code Bill?

Hon. Mr. CALDER: No, the House of Commons has not agreed to the amendments made by this House. I understand we may have to make a further amendment to the Bill.

Right Hon. Mr. GRAHAM: I may be out of order, honourable members, but, having followed the legislation pretty closely in both Houses, may I explain the object of the Senate amendments to the Bill.

Section 3 is the result of representations made to the Department of Justice by the Children's Aid Society of Ontario. Its purpose is to protect children from the corrupting influence of improper conduct by their parents. Under its Act of incorporation the Society has authority to take charge of children when the domestic conditions are such as to be inimical to their best interests. As explained to me, the Society now desires to go a step further and, if possible, rehabilitate the home, rather than remove the children from the parents' custody.

We thought the amendments we made were necessary to meet existing conditions. Many couples living together as common law husband and wife have reared families. Of late years, as we all know, our courts have held that a divorce secured by a Canadian citizen in a foreign country is not valid in this country. Thousands of Canadians obtained divorces in foreign courts, and, acting on the assumption that such divorces were legal, they went through a form of marriage again and raised families. An amendment suggested by this House excepted such people from the provisions of the Code relating to the corruption of children. But the other House disagreed, considering that our amendment went too far, as it might be regarded as countenancing something which should be looked upon with disfavour. In view of the attitude assumed by the Lower

House, the Senate then proposed another amendment, the object being to protect the classes to which I have referred. We now learn that this amendment is not acceptable to the other House, and that there is to be still another amendment to meet the situation.

The right honourable leader of the House is very conversant with this subject—I think he drew the Senate amendments—and if he is at all likely to be here to-morrow it is better to postpone this matter until then. As a matter of fact we cannot do otherwise, because we have had no word from the Commons.

Hon. Mr. TANNER: Is this matter to be disposed of to-day?

Hon. Mr. CALDER: No. It is not before us.

The Senate adjourned until to-morrow at twelve o'clock noon.

THE SENATE

Friday, May 26, 1933.

The Senate met at 12 o'clock noon, the Speaker in the Chair.

Prayers and routine proceedings.

On the Orders of the Day:

Right Hon. Mr. MEIGHEN: Honourable members, the House has been exceedingly patient. Some honourable gentlemen have shown their patience and fidelity better than others; and in the latter class I include myself. There seems to be some hope that we may conclude our sessional duties to-day. It is necessary now to adjourn until this afternoon at 3 o'clock. The proper course, I believe, is for the Speaker to declare it one o'clock.

At one o'clock the Senate took recess.

The Senate resumed at 3 o'clock.

Right Hon. Mr. MEIGHEN: I suggest that His Honour the Speaker call it 6 o'clock. It has been requested that we resume at 8, there being some prospect that we may be able to conclude the work of the session at that time. In any event, there is every prospect of our being able to conclude by to-morrow.

At 6 o'clock the Senate took recess.

Right Hon. Mr. GRAHAM.

The Senate resumed at 8 o'clock.

Right Hon. Mr. MEIGHEN: Honourable senators, with great reluctance I have to abdicate my role of prophet, and for the remainder of the session I shall say nothing as to when Parliament will prorogue. I merely move, on such information as I am able to obtain—

Right Hon. Mr. GRAHAM: Believe it or not.

Right Hon. Mr. MEIGHEN: —believe it or not:

That when the House adjourns to-night it stand adjourned until to-morrow at noon.

The motion is made in the hope that the Senate will concur.

The motion was agreed to.

The Senate adjourned until to-morrow at 12 o'clock noon.

THE SENATE

Saturday, May 27, 1933.

The Senate met at 12 o'clock noon, the Speaker in the Chair.

Prayers and routine proceedings.

CRIMINAL CODE BILL

PROPOSED CONFERENCE WITH HOUSE OF COMMONS

The Hon. the SPEAKER: Honourable senators, a message has been received from the House of Commons reading as follows:

Resolved that a message be sent to the Senate respectfully requesting a Free Conference with Their Honours to consider certain amendments made by the Senate to Bill No. 71, an Act to amend the Criminal Code, to which amendments this House has not agreed and upon which the Senate insist, and any amendment which at such Conference it may be considered desirable to make to said Bill or amendments thereto.

Right Hon. Mr. MEIGHEN moved:

Resolved that a message be sent to the House of Commons to acquaint that House that the Senate hath agreed to a Free Conference desired with the Senate for the purpose of considering certain amendments made by the Senate to Bill 71, intitled: "An Act to amend the Criminal Code," to which amendments the Commons have not agreed and upon which the Senate insisted; and any amendments which at such Conference it may be considered desirable to make thereto; and hath appointed Honourable Senators Graham, Chapais and Meighen as Managers on its part at the said Conference, and

Also that the Managers of the Free Conference on the part of the Senate will meet in Senate Room 258 forthwith.

The motion was agreed to.

The Senate adjourned during pleasure.

After some time the sitting was resumed.

HOUSE OF COMMONS MANAGERS

The Hon. the SPEAKER presented the following message from the House of Commons:

That a message be sent to the Senate to acquaint Their Honours that this House hath appointed Messrs. Lapointe, Dupré and Heaps as Managers on behalf of the House of Commons of the Free Conference with the Senate with respect to the amendments made to Bill 71, an Act to amend the Criminal Code.

REPORT OF CONFERENCE

Right Hon. Mr. MEIGHEN: Honourable senators, your Managers beg to report:

That they duly held the Free Conference with the Managers appointed by the House of Commons, Hon. Ernest Lapointe, Hon. Maurice Dupré and Mr. A. A. Heaps, with respect to the amendments made by the Senate to Bill 71, intituled: "An Act to amend the Criminal Code," and the Managers on behalf of the Senate have agreed to recommend that the Senate do not insist upon their first amendment to which the Commons have disagreed, but that it accept the following proposed amendment in lieu thereof:

"(3) In any prosecution under subsection two of this section, where the circumstances are such as, in the opinion of the Court, to render it likely that the child might be in danger of being or becoming immoral, its morals injuriously affected or its home rendered an unfit place for it to be in, it shall, upon proof that the person accused did, in the home of such child, participate in adultery, in sexual immorality, in habitual drunkenness, or in any other form of vice, be an irrebuttable presumption that the child was in fact in danger of being or becoming immoral and its morals injuriously affected and that its home had in fact been rendered an unfit place for it to be in."

It will be observed that, as this House has insisted from the beginning, the court has full discretion to decide whether the circumstances are such that the morals of the child are likely to be corrupted. In a word, the opinion of the court is converted into an irrebuttable presumption.

The Senate adjourned until this afternoon at 5.30 o'clock.

Second Sitting

The Senate met at 5.30 p.m., the Speaker in the Chair.

Right Hon. Mr. MEIGHEN: Honourable members, I believe that prorogation is almost

definitely set for 8 o'clock this evening, and as there are two remaining items of business—the Redistribution Bill, and the submission from the House of Commons respecting the Criminal Code—it will be necessary for us to meet before that hour. I suggest, therefore, that we call it 6 o'clock and reassemble at 7.30.

At 6 o'clock the Senate took recess.

The Senate resumed at 7.30 o'clock.

PROROGATION OF PARLIAMENT

The Hon. the SPEAKER informed the Senate that he had received a communication from the Secretary to the Governor General, acquainting him that His Excellency the Governor General would proceed to the Senate Chamber at 8 p.m. for the purpose of proroguing the present session of Parliament.

REPRESENTATION BILL

FIRST READING

A message was received from the House of Commons with Bill 2, an Act to readjust the Representation in the House of Commons.

The Bill was read the first time.

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of the Bill.

He said: Honourable members, this Bill appertains merely to the membership of the House of Commons and is very distinctly a measure for consideration in that House rather than in the Senate. So far as I know, it involves no principle that goes to any question of national policy, and I presume that it will pass through this Chamber as a matter of form, in accordance with the usual practice in dealing with bills of this kind.

Right Hon. Geo. P. GRAHAM: Honourable members, I presume that what the right honourable leader of the House says with respect to our usual practice is true, but I take it that if we felt that this or any other measure was radically wrong, we should be perfectly at liberty to amend or reject it.

Right Hon. Mr. MEIGHEN: Oh, yes.

Right Hon. Mr. GRAHAM: I do not intend to move the six months' hoist.

Right Hon. Mr. MEIGHEN: It has had six months already.

Right Hon. Mr. GRAHAM: But I believe that if I did so every one of the honourable members behind me would vote for it. I have

not canvassed them, though it would not have taken more than a couple of minutes to speak to them all.

The redistribution of constituencies is a matter that affects every member of the House of Commons, and sometimes it is a cause of very acrimonious debate. In recent years the difficulties arising out of bills of this kind have generally been settled satisfactorily—if not altogether, at least approximately so—by a committee, but at times the committee has found it extremely difficult to come to conclusions. I remember that on one occasion when there was a deadlock with respect to some constituencies the two leaders in the House of Commons selected a couple of gentlemen, placed them in a room that was fairly well furnished, and asked them to agree on a report. The decision that the two gentlemen arrived at was not perfectly satisfactory to everyone, but it was unanimously accepted by the House. It strikes me that it would be a good thing to follow that method when a redistribution Bill is under consideration, so that the measure might not be the subject of long discussion. Of course, every member is entitled to express himself on redistribution with the same freedom as on any other matter.

To all who have had anything to do with the present measure in the other House I commend the action taken by the late Sir James Whitney towards myself when I was leader of the Opposition in the Ontario Legislature. A redistribution measure was being put through, and he assured me that, though it was proposed to change the boundaries of certain constituencies, there would be no change whatever in my constituency so long as I represented it. I have always considered that one of the brightest incidents in my political career, and I think it is an example of the courtesy that should be practised as a general rule. Unless there is some very strong reason for acting to the contrary, the leaders on both sides of the House of Commons should always be extended the courtesy of having their constituencies undisturbed when a readjustment of representation is being made.

Under the procedure laid down in the British North America Act, this process of readjustment is often a difficult one. The unit of representation for the country as a whole is determined by the population of Quebec, as ascertained at the last decennial census, being divided by 65, the number of members to which that province is always entitled. I think I express the feelings of all honourable

Right Hon. Mr. GRAHAM.

members on both sides of this House when I say that we are now witnessing the most pleasant stage of this measure.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

CRIMINAL CODE BILL

CONCURRENCE IN COMMONS AMENDMENT

A message was received from the House of Commons to return Bill 71, an Act to amend the Criminal Code, and to inform the Senate that the Commons had agreed to the second and third amendments made by the Senate, and had substituted the following amendment in lieu of the first original amendment made by the Senate:

Page 2, lines 15 to 22, inclusive. For sub-clause 3 substitute the following:

"(3) In any prosecution under subsection two of this section where the circumstances are such as, in the opinion of the Court, to render it likely that the child might be in danger of being or becoming immoral, its morals injuriously affected or its home rendered an unfit place for it to be in, it shall, upon proof that the person accused did, in the home of such child, participate in adultery, in sexual immorality, in habitual drunkenness, or in any other form of vice, be an irrebuttable presumption, that the child was in fact in danger of being or becoming immoral and its morals injuriously affected and that its home had in fact been rendered an unfit place for it to be in."

On motion of Right Hon. Mr. Meighen, the amendment made by the House of Commons was concurred in.

The Senate adjourned during pleasure.

PROROGATION OF PARLIAMENT

His Excellency the Governor General having come and being seated on the Throne:

The Hon. the SPEAKER commanded the Gentleman Usher of the Black Rod to proceed to the House of Commons and acquaint that House that: "It is His Excellency the Governor General's pleasure they attend him immediately in the Senate Chamber."

Who being come with their Speaker:

The following Bills were assented to, in His Majesty's name, by His Excellency the Governor General:

BILLS ASSENTED TO

An Act to amend the Canada Shipping Act.

An Act to amend the Criminal Code.

An Act to readjust the Representation in the House of Commons.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1934.

THE GOVERNOR GENERAL'S SPEECH

After which His Excellency the Governor General was pleased to close the Fourth Session of the Seventeenth Parliament of the Dominion of Canada with the following speech:

Honourable Members of the Senate:

Members of the House of Commons:

In bringing to a close the Fourth Session of the Seventeenth Parliament, I congratulate you upon the extent to which you have realized the hopes set forth in my address on the re-assembling of Parliament in October last.

It is deeply gratifying that the benefits of the Imperial Economic Conference Agreements now known throughout the world as the "Ottawa Agreements," to which legislative sanction was given in the early part of the session, are already reflected in a profitable and steadily increasing volume of Empire trade.

The measures which my Government has taken to maintain the integrity of national finance are already showing gratifying results. The credit of Canada throughout the world has been strengthened.

The last decennial census, upon which redistribution of the representation of the people in the House of Commons under the British North America Act is based, disclosed that Canada has now, like many other countries, a majority of its population residing in urban communities. Notwithstanding this added difficulty, a fair and equitable redistribution of the electoral divisions of the country has been accomplished.

The charters of Canadian banks have been extended for one year, in order that Parliament before undertaking the decennial revision of the Bank Act, may be informed of the conclusions of the World Monetary and Economic Conference and may have before it the findings

of a Royal Commission which my Government will shortly appoint, to consider Canadian Banking and Monetary Problems.

The intricate and difficult problems of railway transportation in Canada have been dealt with by legislation embodying the essential recommendations of the Royal Commission on Canadian Railways and Transportation. This legislation, based upon the principle of maintaining the integrity of our two transcontinental railway systems, aims to secure efficient and economic service and to provide means for ensuring co-operation between the two railways.

The agreement with the Republic of France, regulating customs tariffs, together with the convention governing the rights of nationals, commerce and shipping, which you have ratified, will, it is confidently believed, promote trade between and confer mutual benefits upon the two countries.

The amendments to the Pension Act which you have passed will enable the country more fairly and equitably and with less cumbersome and expensive machinery to discharge its obligations to those who served in the Great War.

Among other important measures passed were an Act to amend the Canada Grain Act, an Act to authorize the Governor in Council to agree to extend by proclamation the duration of the Canada-New Zealand Trade Agreement, an Act to amend the Canada Shipping Act, and Acts respecting Penitentiaries, His Majesty's Visiting Forces, the Criminal Code, the Royal Canadian Mounted Police, and Unemployment and Farm Relief.

Members of the House of Commons:

I thank you for the provisions you have made for the Public Service.

Honourable Members of the Senate:

Members of the House of Commons:

The courage with which the Canadian people have endured the burdens imposed upon them in these troubled times is witness to their great faith in the future of their country. It is, however, realized that co-operation amongst the peoples of the world is essential to recovery from the unprecedented conditions which have for so long prevailed in all countries.

In relieving you from attendance upon your parliamentary duties, I pray that Divine Providence may guide and bless you.

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