DEBATES

OF

THE SENATE

OF THE

DOMINION OF CANADA

1927

OFFICIAL REPORT

Editor: ALBERT HORTON

Reporters: D. J. HALPIN, H. H. EMERSON

Reserve Reporter: THOS. BENGOUGH

FIRST SESSION—SIXTEENTH PARLIAMENT—17-18 GEORGE V

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1927

SENATORS OF CANADA

ACCORDING TO SENIORITY

APRIL 14, 1927

THE HONOURABLE HEWITT BOSTOCK, P.C., SPEAKER.

SENATORS.	DESIGNATION.	POST OFFICE ADDRESS
The Honourable		
Pascal Poirier	Acadie	Shediac, N.B.
Hippolyte Montplaisir	Shawinigan	Three Rivers, Que.
George Gerald King	Queens	Chipman, N.B.
Raoul Dandurand, P.C.	De Lorimier	Montreal, Que.
Joseph P. B. Casgrain	De Lanaudière	Montreal, Que.
Robert Watson	Portage la Prairie	Portage la Prairie, Man.
Frédéric L. Béique, P.C.	De Salaberry	Montreal, Que.
Joseph H. Legris	Repentigny	Louiseville, Que.
Jules Tessier	De la Durantaye	Quebec, Que.
Henry J. Cloran	Victoria	Montreal, Que.
Hewitt Bostock, P.C. (Speaker)	Kamloops	Monte Creek, B.C.
James H. Ross	Moose Jaw	Moose Jaw, Sask
Georges C. Dessaulles	Rougemont	St. Hyacinthe, Que.
Napoléon A. Belcourt, P.C.	Ottawa	Ottawa, Ont.
Edward Matthew Farrell	Liverpool	Liverpool, N.S.
Louis Lavergne	Kennebec	Arthabaska, Que.
Joseph M. Wilson	Sorel	Montreal, Que.
Benjamin C. Prowse	Charlottetown	Charlottetown, P.E.I.
Rufus Henry Pope	Bedford	Cookshire, Que.
John W. Daniel	St. John	St. John, N.B.
George Gordon	Nipissing	North Bay, Ont.
Nathaniel Curry	Amherst	Amherst, N.S.
William B. Ross	Middleton	Halifax, N.S.
Edward L. Girroir	Antigonish	Antigonish, N.S.

SENATORS.	DESIGNATION.	POST OFFICE ADDRESS.
The Honourable		
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-Staunton	Hamilton	Hamilton, Ont.
Charles E. Tanner	Pictou	Halifax, N.S.
Thomas Jean Bourque	Richibucto	Richibucto, N.B.
Henry W. Laird	Regina	Regina, Sask.
Albert E. Planta	Nanaimo	Nanaimo, B.C.
John Henry Fisher	Brant	Paris, Ont.
Lendrum McMeans	Winnipeg	Winnipeg, Man.
David Ovide L'Espérance	Gulf	Quebec, Que.
George Green Foster	Alma	Montreal, Que.
Richard Smeaton White	Inkerman	Montreal, Que.
Aimé Bénard	St. Boniface	Winnipeg, Man.
George Henry Barnard	Victoria	Victoria, B.C.
Wellington B. Willoughby	Moose Jaw	Moose Jaw, Sask.
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.
Irving R. Todd	Charlotte	Milltown, N.B.
John Webster	Brockville	Brockville, Ont.
Robert A. Mulholland	Port Hope	Port Hope, Ont.
Pierre Edouard Blondin, P.C.	The Laurentides	Montreal, Que.
John G. Turriff	Assiniboia	Ottawa, Ont.
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., etc.	Edmonton	Edmonton, Alta.
John McCormick	Sydney Mines	Sydney Mines, N.S.

SENATORS.	DESIGNATION.	POST OFFICE ADDRESS.
The Honourable		
Rt. Hon. Sir George E. Foster, P.C., G.C.M.G.	Ottawa	Ottawa, Ont.
John D. Reid, P.C.	Grenville	Prescott, Ont.
James A. Calder, P.C.	Saltcoats	Regina, Sask.
Robert F. Green	Kootenay	Victoria, B.C.
Archibald B. Gillis	Saskatchewan	Whitewood, Sask.
Sir Edward Kemp, P.C., K.C.M.G.	Toronto	Toronto, Ont.
Archibald H. Macdonell, C.M.G.	South Toronto	Toronto, Ont.
Frank B. Black	Westmoreland	Sackville, N.B.
Sanford J. Crowe	Burrard	Vancouver, B.C.
Peter Martin	Halifax	Halifax, N.S.
Archibald Blake McCoig	Kent (O.)	Chatham, Ont.
Arthur C. Hardy	Leeds	Brockville, Ont.
Gustave Boyer	Rigaud	Rigaud, Que.
Onésiphore Turgeon	Gloucester	Bathurst, N.B.
Sir Allen Bristol Aylesworth, P.C., K.C.M.G.	North York	Toronto, Ont.
Andrew Haydon	Lanark	Ottawa, Ont.
Clifford W. Robinson	Moncton	Moncton, N.B.
James Joseph Hughes	King's	Souris, P.E.I.
Creelman, MacArthur	Prince	Summerside, P.E.I.
Jacques Bureau, P.C.	La Salle	Three Rivers, Que.
Henri Sévérin Béland, P.C.	Lauzon	Ottawa, Ont.
John Lewis	East Toronto	Toronto, Ont.
Charles Murphy, P.C.	Russell	Ottawa, Ont.
William Ashbury Buchanan	Lethbridge	Lethbridge, Alta.
Prosper Edmond Lessard	St. Paul	Edmonton, Alta.
James Palmer Rankin	Perth, N.	Stratford, Ont.
Arthur Bliss Copp, P.C.	Westmoreland	Sackville, N.B.
John Patrick Molloy	Provencher	Morris, Man.
Wilfred Laurier McDougald	Wellington	Montreal, Que.
Daniel E. Riley	High River	High River, Alta.
Paul L. Hatfield	Yarmouth	Yarmouth, N.S.
Rt. Hon. George P. Graham, P.C.	Eganville	Brockville, Ont.
William H. McGuire	East York	Toronto, Ont.
Donat Raymond	De la Vallière	Montreal, Que.

SENATORS OF CANADA

ALPHABETICAL LIST

APRIL 14, 1927

SENATORS.	DESIGNATION.	POST OFFICE ADDRESS.
The Honourable		
Aylesworth, Sir Allen, P.C., K.C.M.G....	North York.....	Toronto, Ont.
Barnard, G. H.....	Victoria.....	Victoria, B.C.
Beaubien, C. P.....	Montarville.....	Montreal, Que.
Béique, F. L., P.C.....	De Salaberry.....	Montreal, Que.
Béland, H. S., P.C.....	Lauzon.....	Ottawa, Ont.
Belcourt, N. A., P.C.....	Ottawa.....	Ottawa, Ont.
Bénard, A.....	St. Boniface.....	Winnipeg, Man.
Black, F. B.....	Westmoreland.....	Sackville, N.B.
Blondin, P. E., P.C.....	The Laurentides.....	Montreal, Que.
Bostock, H., P.C. (Speaker).....	Kamloops.....	Monte Creek, B.C.
Bourque, T. J.....	Richibucto.....	Richibucto, N.B.
Boyer, G.....	Rigaud.....	Rigaud, Que.
Buchanan, W. A.....	Lethbridge.....	Lethbridge, Alta.
Bureau, J., P.C.....	La Salle.....	Three Rivers, Que.
Calder, J. A.. P.C.....	Saltcoats.....	Regina, Sask.
Casgrain, J. P. B.....	De Lanaudière.....	Montreal, Que.
Chapais, T.....	Grandville.....	Quebec, Que.
Cloran, H. J.....	Victoria.....	Montreal, Que.
Copp, A. B., P.C.....	Westmoreland.....	Sackville, N.B.
Crowe, S. J.....	Burrard.....	Vancouver, B.C.
Curry, N.....	Amherst.....	Amherst, N.S.
Dandurand, R., P.C.....	De Lorimier.....	Montreal, Que.
Daniel, J. W.....	St. John.....	St. John, N.B.
Dessaulles, G. C.....	Rougemont.....	St. Hyacinthe, Que.
Donnelly, J. J.....	South Bruce.....	Pinkerton, Ont.
Farrell, E. M.....	Liverpool.....	Liverpool, N.S.
Fisher, J. H.....	Brant.....	Paris, Ont.
Foster, G. G.....	Alma.....	Montreal, Que.

SENATORS.	DESIGNATION.	POST OFFICE ADDRESS.
The Honourable FOSTER, RT. HON. SIR GEORGE E., P.C., G.C.M.G.	Ottawa	Ottawa, Ont.
GILLIS, A. B.	Saskatchewan	Whitewood, Sask.
GIRROIR, E. L.	Antigonish	Antigonish, N.S.
GORDON, G.	Nipissing	North Bay, Ont.
GRAHAM, RT. HON. GEO. P., P.C.	Eganville	Brockville, Ont.
GREEN, R. F.	Kootenay	Victoria, B.C.
GRIESBACH, W. A., C.B., C.M.G., etc.	Edmonton	Edmonton, Alta.
HARDY, A. C.	Leeds	Brockville, Ont.
HARMER, W. J.	Edmonton	Edmonton, Alta.
HATFIELD, P. L.	Yarmouth	Yarmouth, N.S.
HAYDON, A.	Lanark	Ottawa, Ont.
HUGHES, J. J.	King's	Souris, P.E.I.
KEMP, SIR EDWARD, P.C., K.C.M.G.	Toronto	Toronto, Ont.
KING, G. G.	Queen's	Chipman, N.B.
LAIRD, H. W.	Regina	Regina, Sask.
LAVERGNE, L.	Kennebec	Arthabaska, Que.
LEGRIS, J. H.	Repentigny	Louiseville, Que.
L'ESPÉRANCE, D. O.	Gulf	Quebec, Que.
LESSARD, P. E.	St. Paul	Edmonton, Alta.
LEWIS, J.	East Toronto	Toronto, Ont.
LYNCH-STAUNTON, G.	Hamilton	Hamilton, Ont.
MACARTHUR, C.	Prince	Summerside, P.E.I.
MACDONELL, A. H., C.M.G., etc.	Toronto, South	Toronto, Ont.
MARTIN, P.	Halifax	Halifax, N.S.
MCCOIG, A. B.	Kent (O.)	Chatham, Ont.
MCCORMICK, J.	Sydney Mines	Sydney Mines, N.S.
MCDONALD, J. A.	Shediac	Shediac, N.B.
MCDOUGALD, W. L.	Wellington	Montreal, Que.
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.
MICHENER, E.	Red Deer	Red Deer, Alta.
MOLLOY, J. P.	Provencher	Morris, Man.
MONTPLAISIR, H.	Shawinigan	Three Rivers, Que.
MULHOLLAND, R. A.	Port Hope	Port Hope, Ont.

SENATORS.	DESIGNATION.	POST OFFICE ADDRESS.
The Honourable		
MURPHY, C., P.C.	Russell	Ottawa, Ont.
PLANTA, A. E.	Nanaimo	Nanaimo, B.C.
POIRIER, P.	Acadie	Shediac, N.B.
POPE, R. H.	Bedford	Cookshire, Que.
PROWSE, B. C.	Charlottetown	Charlottetown, P.E.I.
RANKIN, J. P.	Perth, N.	Stratford, Ont.
RAYMOND, D.	De la Vallière	Montreal, Que.
REID, J. D., P.C.	Grenville	Prescott, Ont.
RILEY, D. E.	High River	High River, Alta.
ROBERTSON, G. D., P.C.	Welland	Welland, Ont.
ROBINSON, C. W.	Moncton	Moncton, N.B.
ROSS, J. H.	Moose Jaw	Moose Jaw, Sask.
ROSS, W. B.	Middleton	Halifax, N.S.
SCHAFFNER, F. L.	Boissevain	Boissevain, Man.
SHARPE, W. H.	Manitou	Manitou, Man.
SMITH, E. D.	Wentworth	Winona, 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.
TODD, I. R.	Charlotte	Milltown, N.B.
TURGEON, O.	Gloucester	Bathurst, N.B.
TURRIFF, J. G.	Assiniboia	Ottawa, Ont.
WATSON, R.	Portage la Prairie	Portage la Prairie, Man.
WEBSTER, J.	Brockville	Brockville, Ont.
WEBSTER, L. C.	Stadacona	Montreal, Que.
WHITE, R. S.	Inkerman	Montreal, Que.
WHITE, G. V.	Pembroke	Pembroke, Ont.
WILLOUGHBY, W. B.	Moose Jaw	Moose Jaw, Sask.
WILSON, J. M.	Sorel	Montreal, Que.

SENATORS OF CANADA

BY PROVINCES

APRIL 14, 1927

ONTARIO—24

	SENATORS.	POST OFFICE ADDRESS.
	The Honourable	
1	Napoléon A. Belcourt, P.C.	Ottawa.
2	George Gordon	North Bay.
3	Ernest D. Smith	Winona.
4	James J. Donnelly	Pinkerton.
5	George Lynch-Staunton	Hamilton.
6	Gideon D. Robertson, P.C.	Welland.
7	John Henry Fisher	Paris.
8	John Webster	Brockville.
9	Robert A. Mulholland	Port Hope.
10	Gerald Verner White	Pembroke.
11	John D. Reid, P.C.	Prescott.
12	Rt. Hon. Sir Geo. E. Foster, P.C., G.C.M.G.	Ottawa.
13	Sir Edward Kemp, P.C., K.C.M.G.	Toronto.
14	Archibald H. Macdonell, C.M.G., etc.	Toronto.
15	Archibald Blake McCoig	Chatham.
16	Arthur C. Hardy	Brockville.
17	Sir Allen Bristol Aylesworth, P.C., K.C.M.G.	Toronto.
18	Andrew Haydon	Ottawa.
19	Charles Murphy, P.C.	Ottawa.
20	John Lewis	Toronto.
21	James Palmer Rankin	Stratford.
22	Rt. Hon. George P. Graham, P.C.	Brockville.
23	William H. McGuire	Toronto.
24		

QUEBEC—24

	SENATORS.	ELECTORAL DIVISION.	POST OFFICE ADDRESS.
	The Honourable		
1	Hippolyte Montplaisir	Shawinigan	Three Rivers.
2	Raoul Dandurand, P.C.	De Lorimier	Montreal.
3	Joseph P. B. Casgrain	De Lanaudière	Montreal.
4	Frederick L. Béique, P.C.	De Salaberry	Montreal.
5	Joseph H. Legris	Repentigny	Louiseville.
6	Jules Tessier	De la Durantaye	Quebec.
7	Henry J. Cloran	Victoria	Montreal.
8	George C. Dessaulles	Rougemont	St. Hyacinthe.
9	Louis Lavergne	Kennebec	Arthabaska.
10	Joseph M. Wilson	Sorel	Montreal.
11	Rufus H. Pope	Bedford	Cookshire.
12	Charles Philippe Beaubien	Montarville	Montreal.
13	David Ovide L'Espérance	Gulf	Quebec.
14	George Green Foster	Alma	Montreal.
15	Richard Smeaton White	Inkerman	Montreal.
16	Pierre Edouard Blondin, P.C.	The Laurentides	Montreal, Que.
17	Thomas Chapais	Grandville	Quebec.
18	Lorne C. Webster	Stadacona	Montreal.
19	Gustave Boyer	Rigaud	Rigaud.
20	Henri Sévérin Béland	Lauzon	Ottawa, Ont.
21	Jacques Bureau	La Salle	Three Rivers.
22	Wilfred Laurier McDougald	Wellington	Montreal.
23	Donat Raymond	De la Vallière	Montreal.
24			

NOVA SCOTIA—10

SENATORS.	POST OFFICE ADDRESS.
The Honourable	
1 Edward M. Farrell	Liverpool.
2 Nathaniel Curry	Amherst.
3 William B. Ross	Halifax.
4 Edward L. Girroir	Antigonish.
5 John S. McLennan	Sydney.
6 Charles E. Tanner	Pictou.
7 John Stanfield	Truro.
8 John McCormick	Sydney Mines.
9 Peter Martin	Halifax.
10 Paul L. Hatfield	Yarmouth.

NEW BRUNSWICK—10

The Honourable	
1 Pascal Poirier	Shediac.
2 George Gerald King	Chipman.
3 John W. Daniel	St. John.
4 Thomas Jean Bourque	Richibucto.
5 Irving R. Todd	Milltown.
6 John Anthony McDonald	Shediac.
7 Frank B. Black	Sackville.
8 Onésiphore Turgeon	Bathurst.
9 Clifford W. Robinson	Moncton.
10 Arthur Bliss Copp, P.C.	Sackville.

PRINCE EDWARD ISLAND—4

The Honourable	
1 Benjamin C. Prowse	Charlottetown.
2 John McLean	Souris.
3 James Joseph Hughes	Souris.
4 Creelman MacArthur	Summerside.

BRITISH COLUMBIA—6

SENATORS.	POST OFFICE ADDRESS.
The Honourable	
1 Hewitt Bostock, P.C. (Speaker)	Monte Creek.
2 Albert E. Planta	Nanaimo.
3 George Henry Barnard	Victoria.
4 James Davis Taylor	New Westminster.
5 Robert F. Green	Victoria.
6 Sanford J. Crowe	Vancouver.

MANITOBA—6

The Honourable	
1 Robert Watson	Portage la Prairie.
2 William H. Sharpe	Manitou.
3 Lendrum McMeans	Winnipeg.
4 Aimé Bénard	Winnipeg.
5 Frederick L. Schaffner	Winnipeg.
6 John Patrick Molloy	Morris.

SASKATCHEWAN—6

The Honourable	
1 James H. Ross	Moose Jaw.
2 Henry W. Laird	Regina.
3 Wellington B. Willoughby	Moose Jaw.
4 John G. Turriff	Ottawa, Ont.
5 James A. Calder, P.C.	Regina.
6 Archibald B. Gillis	Whitewood.

ALBERTA—6

The Honourable	
1 Edward Michener	Red Deer.
2 William James Harmer	Edmonton.
3 William A. Griesbach, C.B., C.M.G., etc.	Edmonton.
4 Prosper Edmond Lessard	Edmonton.
5 William Ashbury Buchanan	Lethbridge.
6 Daniel E. Riley	High River.

CANADA

The Debates of the Senate

OFFICIAL REPORT

THE SENATE

Thursday, December 9, 1926.

The Sixteenth Parliament having been summoned by Proclamation of the Governor General to meet this day in its First Session 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 the Chief Justice of Canada, in his capacity of Deputy Governor General, would proceed to the Senate Chamber to open the Session of the Dominion Parliament, on Thursday, the 9th of December, at 3 o'clock.

NEW SENATORS INTRODUCED

The following newly-appointed Senators were severally introduced and took their seats:

Hon. Wilfrid Laurier McDougald, M.D., of Montreal, Quebec, introduced by Hon. R. Dandurand and Hon. Charles Murphy.

Hon. Daniel E. Riley, of High River, Alberta, introduced by Hon. R. Dandurand and Hon. W. A. Buchanan.

Hon. Paul LaCombe Hatfield, of Yarmouth, Nova Scotia, introduced by Hon. R. Dandurand and Hon. E. M. Farrell.

The Senate adjourned during pleasure.

OPENING OF THE SESSION

The Right Honourable Francis Alexander Anglin, Chief Justice of Canada, Deputy Governor General, having come and being seated,

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 the Right Honourable the Deputy Governor's desire that they attend him immediately in the Senate Chamber."

Who being come,

The Hon. the SPEAKER said:

Honourable gentlemen of the Senate:
Members of the House of Commons:

I have it in command from the Right Honourable the Deputy Governor General to let you know that His Excellency the Governor General does not see fit to declare the causes of his summoning the present Parliament of Canada until a Speaker of the House of Commons shall have been chosen according to law; but tomorrow, at the hour of 3 o'clock in the afternoon, His Excellency will declare the causes of his calling of this Parliament.

The Right Honourable the Deputy Governor was pleased to retire, and the House of Commons withdrew.

The sitting was resumed.

RETURN OF DIVORCE EVIDENCE

MOTION

Hon. Mr. WILLOUGHBY moved:

That a Message be sent to the House of Commons requesting that House to return to the Senate the evidence adduced before the Committee on Divorce during the last Session of Parliament upon which the following Bills were founded, viz:

Bill P6, an Act for the relief of Gwendolen McLachlin.

Bill Q6, an Act for the relief of Jessie Evis.

Bill R6, an Act for the relief of Max Gertler.

Bill S6, an Act for the relief of Florence May Hicks.

Bill T6, an Act for the relief of Ruth May Harrington.

Bill U6, an Act for the relief of Edith Maude Bull.

Bill V6, an Act for the relief of Joseph Bernard Hoodless.

Bill W6, an Act for the relief of Amelia Chester.

Bill Y6, an Act for the relief of Edward Barker.

Bill Z6, an Act for the relief of Joan Henderson.

Bill A7, an Act for the relief of Cecil Chester Richardson.

Bill B7, an Act for the relief of Vina Kennedy (otherwise known as Vina Dorothy Kennedy).

Bill C7, an Act for the relief of Sadie Joy Downey.

Bill D7, an Act for the relief of Aimee Glenholme Young.

Bill E7, an Act for the relief of Alberta Lutz.

Bill F7, an Act for the relief of George Frederick Adams.

Bill G7, an Act for the relief of Edward Saville.

Bill H7, an Act for the relief of Manford York.
Bill I7, an Act for the relief of Robert Fisher.
Bill J7, an Act for the relief of James Alfred McCabe.
Bill K7, an Act for the relief of Dorothy Terry.
Bill L7, an Act for the relief of Lillie May Brown Nichols.
Bill M7, an Act for the relief of Hazel Pearl Clark Pearcy.
Bill N7, an Act for the relief of Edith Swartz.
Bill O7, an Act for the relief of James Gibb Erskine.
Bill P7, an Act for the relief of Ernest Johnson.
Bill Q7, an Act for the relief of May Elizabeth Chambers.
Bill R7, an Act for the relief of Maxime Demers.
Bill S7, an Act for the relief of James Edward Barnaby.
Bill T7, an Act for the relief of Ethel C. Craig-Williams.
Bill U7, an Act for the relief of Frederick George Jones.
Bill V7, an Act for the relief of Ida Lula Dupuis Murchison.
Bill W7, an Act for the relief of Gladys Andrea Boyle.
Bill X7, an Act for the relief of Leslie Ellis Noble.
Bill Y7, an Act for the relief of Joseph Azarie Handfield.

He said: Honourable gentlemen, I desire, with the leave of the House, to present this formal motion for the purpose of expediting our divorce proceedings. These Bills passed the Senate and were sent to the House of Commons. It has been learned by the officials of the Senate, after conference with officials of the other Chamber, that before the Bills can be released by the Commons it will be necessary for the Senate to send a formal message requesting that they be returned.

Hon. Mr. DANIEL: May I ask, is Parliament open or not?

Hon. Mr. POIRIER: Honourable gentlemen, I do not think that this procedure is quite in order. From time immemorial it has been customary to assert and guarantee our right by introducing a Bill pro forma. While we may have the privilege of making motions, no actual legislation is initiated before the King's representative has graciously delivered the Speech from the Throne. In my opinion the motion of my honourable friend is out of order.

The Hon. the SPEAKER: Do I understand that the honourable gentleman is asking for a ruling in this matter?

Hon. Mr. POIRIER: If the honourable gentleman (Hon. Mr. Willoughby) withdraws his motion there will be no necessity for a ruling. Otherwise we might have the point elucidated. I am not at the moment prepared to discuss it, but I know that a motion of that kind is not customary in England, nor has it been here for the forty-one years during which I have been in the Senate.

Hon. Mr. WILLOUGHBY: Honourable gentlemen, I am not prepared to discuss the point raised by the honourable gentleman. I bring in this motion with the approval of those who, I think, are conversant with the rules, and I rely upon the judgment of the House.

Hon. Mr. DANDURAND: Do I understand the honourable gentleman raises a point of order?

Hon. Mr. POIRIER: I do raise it. Not for the sake of opposing my honourable friend's (Hon. Mr. Willoughby's) motion, but rather to clarify the situation, I would like to have the question settled whether, before dealing with the Speech from the Throne, we ought to initiate legislation other than a Bill pro forma, which asserts our right. For centuries it has been the practice, through courtesy, to initiate no legislation before the Speech from the Throne has been delivered.

The Hon. the SPEAKER: Honourable gentleman, I would explain that the proposed motion of the honourable gentleman from Moose Jaw (Hon. Mr. Willoughby) had not been brought to my attention, but, speaking off-hand, without having had time to study the whole question, I would say that there is nothing discourteous in what has been done, inasmuch as it is simply a formal matter as between the two Houses. We find ourselves in the position of requiring certain information from the House of Commons, and all that is proposed is to send a message asking that House to return certain documents. The motion is not a matter of legislation. No Bill has been introduced.

The motion was agreed to.

The Senate adjourned until to-morrow at 2.30 p.m.

THE SENATE

Friday, December 10, 1926.

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

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 First Session of the Sixteenth Parliament of the Dominion of Canada with the following Speech:

Honourable Members of the Senate:

Members of the House of Commons:

I desire on this occasion to assure you of the great satisfaction it affords me to be associated with you in the important tasks upon which you are about to enter at this, the first session of the Sixteenth Parliament of Canada, and to avail myself of your assistance and advice in discharging the duties which His Majesty the King has entrusted to me as his representative.

Once again we have cause to be thankful for a bountiful harvest and other assurances of continued prosperity. It is gratifying to note that during the year the foreign trade of Canada has shown further marked improvement and that immigration has substantially increased.

The necessity of making adequate provision for the public services has compelled me to summon you at an earlier date than would otherwise have been necessary. In order to provide for present and immediate future needs, and to regularize expenditures already made, you will be asked forthwith to vote the necessary supply for the current financial year. It is not proposed to proceed with the ordinary business of the session until the reassembling of Parliament in the New Year.

Those government measures which passed the House of Commons at the last session of Parliament, but which failed to become law, will be reintroduced. Amendments to the Canada Grain Act will also be submitted for your consideration.

With a view to expediting public business generally, it is proposed to afford opportunity for an early consideration of Amendments to the Rules of the House of Commons.

My Government has continued to give special attention to the fuel problem and measures providing for assistance to works constructed for the production of domestic coke from Canadian coal will be submitted.

The Report of the Commission appointed under the Inquiries Act to examine and report upon conditions in the Maritime Provinces will be presented immediately and your attention will be invited to its recommendations. Measures dealing with the matters referred to in the report of the Commission are now under consideration by my Government, and certain legislation in respect thereto will be introduced.

Good progress has been made with work on the Hudson Bay Railway and it is planned to continue construction at as early a date as possible next year. It has been decided to submit the study of conditions at the Port to the careful examination of an outstanding British authority on tidal and estuarial conditions affecting harbours.

Canadian National branch line construction on the basis of a definite three-year programme having proved entirely successful, that method of dealing with necessary railway expansion will be continued, and another three-year programme will be submitted for your consideration.

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You will also be asked to approve an agreement with the holders of Grand Trunk Pacific perpetual debentures.

Members of my Government have just returned to Canada from attending the meetings of the Imperial Conference. The Report of the proceedings of the Conference, together with its recommendations, will be placed before you for consideration. It will, I believe, be recognized that the joint labours of the Governments represented at the Conference have gone far to set forth the relations of the members of the British Commonwealth of Nations to one another and to foreign countries and to ensure a ready appreciation of the full measure of self-government now attained in all that relates to their domestic and external affairs. In the prolonged consideration given to specific matters of joint concern, the Conference has done much to ensure the free and effective co-operation in common ends of the Governments and peoples of the British Empire.

The recent appointment of a Minister Plenipotentiary accredited by His Majesty to represent the interests of Canada in the United States marks an important stage in the development of the international relations of the Dominion.

The Diamond Jubilee of Confederation will be appropriately celebrated during the coming year. I am pleased to inform you that His Royal Highness the Prince of Wales has graciously accepted the invitation of my Government to visit Canada, circumstances permitting, in connection with the celebration. My government has also extended an invitation to the Prime Minister of Great Britain; the Prime Minister has accepted the invitation and has expressed the hope that when the time arrives he may find it possible to be present.

Members of the House of Commons:

The estimates for the current fiscal year which have not hitherto been voted by Parliament will, as already mentioned, be submitted for your approval forthwith. Estimates for the financial year 1927-28 will be submitted for your consideration when Parliament reassembles.

Honourable Members of the Senate:

Members of the House of Commons:

In inviting your careful consideration of the important matters which will engage your attention, I pray that Divine Providence may guide and bless your deliberations.

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

The sitting was resumed.

Prayers.

CONSIDERATION OF HIS EXCELLENCY'S SPEECH

On motion of Hon. Mr. Dandurand, it was ordered, that the Speech of His Excellency the Governor General be taken into consideration on Tuesday, December 14.

RAILWAY BILL

FIRST READING

Bill—, an Act respecting Railways.—Hon. Mr. Dandurand.

COMMITTEE ON ORDERS AND PRIVILEGES

Hon. Mr. DANDURAND 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

On motion of Hon. Mr. Dandurand, the following Senators were appointed a Committee of Selection to nominate Senators to serve on the several Standing Committees during the present Session: The Honourable Messieurs Belcourt, Daniel, Prowse, Robertson, Ross (Middleton), Sharpe, Tanner, Watson, Willoughby and the mover.

POSSESSION OF WEAPONS BILL

FIRST READING

Bill A, an Act to amend certain provisions of the Criminal Code respecting the possession of weapons.—Hon. Mr. Belcourt.

The Senate adjourned until Monday, December 13, at 8 p.m.

THE SENATE

Monday, December 13, 1926.

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

Prayers and routine proceedings.

DIVORCE REPORTS

MOTION

Hon. Mr. WILLOUGHBY moved:

That the Reports of the Committee on Divorce made during the last Session of Parliament numbered 151, 152, 153, 154, 155, 156, 157, 158, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 177, 178, 179, 180, 181, 182, 183, 184. 185, 186 and 188, be referred to the Committee on Divorce, and that the said Committee be empowered to take into consideration all the evidence submitted to the said Committee during the last Session of Parliament with respect to the said reports.

Hon. Mr. DANDURAND: Does the honourable gentleman make any distinction between the Bills that were concurred in by the Commons and those that were not?

Hon. Mr. WILLOUGHBY: Yes; we have already dealt with them in another way. I may say further that none of the Bills that were contested will be dealt with before the adjournment of the House.

The motion was agreed to.

TRIBUTES TO DECEASED SENATORS

THE LATE HON. SENATORS THIBAUDEAU, DAVID, McHUGH AND BLAIN

Hon. Mr. DANDURAND: Honourable gentlemen, we mourn the loss of four of our members who have left us since we separated at the end of last session. Two of them were from my native province and two from Ontario.

The first to depart was Senator Thibaudeau, who was likewise the first to enter the Senate, having been appointed under the Laurier Administration in August, 1896. He was distinguished by his leader as one of the merchant princes of Montreal, representing an old established firm of high repute, founded in Quebec by his father, the late Honourable Isidore Thibaudeau. Our late colleague was then President of the Wholesale Dry Goods Association of Canada. At the time of his appointment to the Senate it was said an additional reason why he should be the first selected by Hon. Wilfrid Laurier was that his father, Honourable Isidore Thibaudeau, had given his seat in Quebec East to Mr. Laurier after his defeat in Drummond and Arthabaska, when he was seeking re-election as a member of the Mackenzie Administration.

Senator Thibaudeau was blessed with qualities and virtues which are the attributes of perfect citizenship. In domestic and social life he was surrounded by the affection to which the sweetest of dispositions entitled him. He was a Governor of the University of Montreal and a generous contributor to many philanthropic institutions. He had studied in England and in France, and his training had been of the best. He was modesty itself, and though of a retiring disposition, his judgment was good and his advice was sought by many.

The next to depart was Senator David, at the ripe old age of 86 years. He seemed to be twenty years younger, for his appearance and demeanour did not give the impression of advanced age; yet for more than 60 years he was in the limelight as journalist, historical writer and politician. Called to the Bar in 1864, he practised law in Montreal, at the same time being an active contributor in the journalistic field.

At the time he left college the lines of cleavage between Upper and Lower Canada were most marked. He was naturally a champion of his own province and his own race. He was a Conservative follower of Georges Etienne Cartier, but not a blind follower. Cartier had pronounced free trade views, whereas from the outset Senator David advocated higher tariffs. He changed his party allegiance on the question of Confedera-

tion. He felt that Confederation would not be to the advantage of his people, whose influence would be thereby decreased. The tenets of his youth were those of his whole life. He was a protectionist in the Conservative party when that party was for free trade, and a protectionist still in the Liberal ranks when that party was for freer trade.

His literary work on the lives of the Patriots of 1837-38, who fought for constitutional government, made his name familiar throughout his province. Senator David's writings covered the political history of Canada from 1791 to our own day. For many years President of the French-Canadian national organization, the St. Jean Baptiste Society, and member of the Legislature of Quebec for Montreal East, he constantly helped by his efforts to improve the social and educational conditions of his province. In his frequent contributions to the English press he expressed the views of his own people, in order to remove misunderstandings. He was fair minded and generous in debate. He was beloved by his province, and, I have reason to believe, by all his colleagues in this Chamber. They listened to him with attention and respect on all matters which he approached, because of his ripe judgment and his earnestness.

With our two Ontario colleagues I was less intimate. Their demise occurred at about the same time, just as this Parliament was being called.

Senator McHugh was a farmer who had but a primary school education. As he grew up he soon became interested in matters of public concern. He was not content to do the routine work of his occupation. His mind travelled beyond his farm and township, and he gave his leisure hours to reading books and papers which came within his reach. He soon interested himself actively in political debate and participated in many an electoral fray. He was elected to the House of Commons in 1896 and sat for four years in Parliament. Defeated in 1900, he was called to the Senate in 1901. He was a close attendant of our committee and Senate meetings, and frequently expressed his views on matters with which he was familiar. He spoke to the point, and with conviction, plausibility and common sense. He was a fine representative of our farming community. I am told that among his people he was noted for his kindness of heart, his constant readiness to help, his religious mind and profound convictions.

Senator Blain had not completed the span, generally hoped for, of three score years and ten, yet had a most fruitful career in public life. He was a hardware merchant in the town of Brampton, but his influence soon radiated beyond its borders. When quite young he entered the Town Council, in which he served for ten years. He became Reeve of Brampton, and soon thereafter Warden of Peel County. The electors of that county showed their confidence in him by electing him to the House of Commons in 1900, and that confidence he retained in the three following elections, 1904, 1908 and 1911. He had strong party convictions and was one of the main participants in debate in the popular House. He was quite aggressive and often in the thick of the fight. He did not fear the blows, which he returned gallantly. Called to this Chamber in 1917, he soon felt the influence of our more peaceful atmosphere, and, like many of our colleagues who have hailed from the House of Commons, mellowed in a marked degree. He interested himself in the serious work of the Senate, which is mostly done in committees, and gained the esteem of his colleagues to the point of being made Chairman of the Standing Committee on Railways. He leaves us much too soon, for the experience which he had gathered would have continued to be of great benefit to us; but the designs of Providence are inscrutable.

To the families of our departed colleagues I desire to extend the warm sympathies of the Senate.

Hon. W. B. ROSS: Honourable gentlemen, for myself and for the other members on this side of the House I wish to join with the honourable gentleman who has just spoken, in extending our sympathy to the families of the four Senators whose loss we mourn.

It is sad to part with men with whom you have sat for many years, not only in this House, but also in Committee, and whose work you have seen and admired for the care and thought which they gave to it. Nevertheless, when a man attains a good old age, as did all four of these gentlemen, and leaves behind him a record of work well done and a name that is respected by everyone, we may well ask what better fate awaits any of us. We shall be lucky indeed if we can leave behind us a life record like that of the late honourable member for Mille Iles (Hon. Mr. David), whom I knew so well and admired so much. The others I knew not quite so well, but still well enough to be able to concur in all that has been so aptly said about them by my honourable friend. They were worthy of the position they held in this House. To the families of those departed Senators we extend our sympathy.

HANDFIELD DIVORCE PETITION

On the motion for the adjournment of the Senate:

Hon. Mr. BEIQUE: I would call the attention of the honourable member from Moose Jaw (Hon. Mr. Willoughby) to the fact that the list of Divorce reports covered by his motion includes the case of Dr. Handfield, which was contested.

Hon. Mr. DANDURAND: Yes, but I understood from the honourable gentleman that only those cases that are not contested would be proceeded with this week.

Hon. Mr. WILLOUGHBY: None of the contested ones will be proceeded with before the adjournment. There are only four contested, and that is one of them.

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

THE SENATE

Tuesday, December 14, 1926.

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

Prayers and routine proceedings.

STANDING COMMITTEES

REPORT OF COMMITTEE OF SELECTION

Hon. Mr. DANDURAND presented the report of the Committee on Selection and moved:

That the Senators mentioned in the Report of the Committee of Selection as having been chosen to serve on the several Standing Committees during the present Session, be and they are hereby appointed to form part of and constitute the several Committees with which their respective names appear in said Report, to inquire into and report upon such matters as may be referred to them from time to time; and that the Committee on Standing Orders is authorized to send for persons, papers and records whenever required; and also that the Committee on Internal Economy and Contingent Accounts have power, without special reference by the House, to consider any matter affecting the Internal Economy of the Senate, as to which The Honourable the Speaker is not called upon to act by The Civil Service Act, and such Committee shall report the result of such consideration to the House for action.

Right Hon. Sir GEORGE E. FOSTER: Would it not be as well to allow this report to lie on the Table and appear in the records? Then if any member of the Senate wished to have changes made it could be done without the necessity of going back upon a document that had been passed.

Hon. Mr. DANDURAND: Undoubtedly that would be the better form, but I have been asked to urge the Senate to dispense with that procedure in order that the Committees may get to work as quickly as possible, as it is hoped that Parliament will adjourn Thursday or Friday of this week. If we lose one day now we shall be unable to attain the object for which we met last evening.

Right Hon. Sir GEORGE E. FOSTER: All right.

The motion was agreed to.

DOWNEY DIVORCE PETITION

REFUND OF FEES

Hon. Mr. WILLOUGHBY moved:

That the Committee on Divorce be authorized to consider and report upon an application for refund of the Parliamentary fees paid upon the petition of Sadie Joy Downey, praying for a Bill of Divorce.

He said: I am instructed that the respondent has died since last Session.

The motion was agreed to.

DIVORCE REPORTS

MOTION

Hon. Mr. WILLOUGHBY moved:

That the Reports of the Committee on Divorce made during the last Session of Parliament numbered 97, 136, 138, 139, 140, 141, 142, 143, 145, 146, 147, 148 and 149, be referred to the Committee on Divorce, and that the said Committee be empowered to take into consideration all the evidence submitted to the said Committee during the last Session of Parliament with respect to the said reports.

Hon. Mr. DANDURAND: Will the honourable gentleman tell us why he has made a distinction between the reports that were dealt with last evening, and those that come under this motion?

Hon. Mr. WILLOUGHBY: As a matter of fact I thought the Clerk had prepared a motion for the referring of all Bills, not only those that had passed this House and the other, but also the ones that had passed this House only. I was surprised not to find them all here.

The Hon. The SPEAKER: Honourable gentlemen, I might state that the Clerk explains to me that these Bills came down to the House yesterday. Now it is desired to send them to the Divorce Committee.

The motion was agreed to.

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. W. A. BUCHANAN moved:

That the following 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; namely:

To His Excellency the Right Honourable Viscount Willingdon, Knight Grand Commander of the Most Exalted Order of the Star of India, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Knight Grand Commander of the Most Eminent Order of the Indian Empire, Knight Grand Cross of the Most Excellent Order of the British Empire, Governor General and Commander-in-Chief of the Dominion of Canada.

May it Please Your Excellency:

We, His Majesty's most dutiful and loyal subjects, the Senate of Canada, in Parliament assembled, beg leave to offer our humble thanks to Your Excellency for the gracious Speech which Your Excellency has addressed to both Houses of Parliament.

He said: Honourable gentlemen, while I rise with a full appreciation of the honour which has been conferred on me as mover of this Address, I rise with some reluctance also, because I feel that I am addressing a body composed largely of men of much wider and riper experience in public affairs than I possess.

The Address which has been brought down covers many questions, and touches upon problems affecting all parts of Canada, but it is my intention to deal merely with some of those which to my mind are of outstanding importance, and I hope to do so with as much freedom as possible from partizan spirit.

I should like to refer, first of all, to the change which has taken place in the representation of the Crown in this Dominion. Since we were last here the representative who filled the position of Governor General for four or five years has gone from us. If there was one mark which he left upon the country more strongly than another it was, I think, his desire to become acquainted with Canada at large. He always preached the doctrine of unity, and thus, in my judgment, set an example not only to those of us who sit in Parliament, but to the people generally. If there is division in Canada it is largely due to the fact that there is not complete knowledge of our country. Lord Byng made it his business during his term of office to visit almost all the nooks and corners of Canada. I doubt very much whether any other representative of the King covered so much territory, or saw so much of Canada as he did; and he has gone back to Great Britain, may I say, as an ambassador of Canada, for already he is presenting to the people of the Motherland his impressions of this country, and advancing its interests.

To replace him we have a distinguished public servant, a man who has filled positions in public life in Great Britain and the British Dominions, a man of wide experience in public affairs who, just before coming to Canada, fulfilled a delicate and important mission for the British Government in China, if I recollect precisely. Though he has been with us only a few months, I think I may safely say that he has already won a very warm place in the esteem and affection of the people of Canada.

Another intimation in the Speech from the Throne appeals to all Canadians, and particularly to those of the Province of Alberta, in which I happen to live. The announcement is made that the Prince of Wales is to be with us next year on the occasion of the sixtieth anniversary of Confederation. I look upon the Prince of Wales not only as a member of the Royal Family, but also as a citizen of Canada, because this is one part of the Empire that he has singled out for his affections and interest. He has taken up in that Province a property which is not only becoming renowned throughout this Dominion, but is advertising Canada in other parts of the world. He is setting an example to our ranchers and farmers by raising upon that ranch in the foot-hills of Alberta pure-bred stock that will improve the live-stock business in Canada, and also help to improve it across the line, in the United States.

Probably the most important event of recent months has been the Imperial Conference just concluded in London. There may be differences of opinion as to the conclusions reached by that Conference, but I am bold enough to say that in my judgment, no matter what has been done towards extending greater freedom and responsibility to the Dominions of the Empire and furthering their autonomy, nothing has occurred that will weaken the ties that exist between those Dominions and Great Britain and the monarchy. I believe that the greater the freedom conceded to the Dominions, the stronger will be the ties that hold them together within the Empire. I think that has been the case throughout our whole history as an Empire. We can recall the early struggles in this and other Dominions for what they considered responsible government and greater freedom, and as concessions

were made in those respects our affections for the Empire and for the Throne were deepened. I am satisfied that such will be the result of this Conference, whatever fears some people may possess as to its endangering the Empire itself.

Some of you may have read the banquet speech delivered by Mr. Desmond Fitzgerald, one of the representatives of the Irish Free State, during the meeting of the Imperial Conference in London. You all recall the part taken by Lord Birkenhead some years ago in the strife in Ulster, and at that time he was not recognized in any way as a friend of Southern Ireland, but rather treated as one of their outstanding enemies. He presided at this banquet in London, at which other distinguished British public men who had not agreed with the viewpoint of Southern Ireland were present, among them the Earl of Balfour and Sir Austen Chamberlain. I recollect that in that speech Desmond Fitzgerald, who was an enemy of Great Britain only a few years before, paid tribute to the treatment that had been meted out to Southern Ireland by those men who had opposed the agitation for Home Rule. He there confessed that the concession of responsible government to the Irish Free State had brought about a deep regard for the British Empire itself. Since the conference concluded we have had similar views expressed by other leaders of the Irish Free State, particularly by President Cosgrave, and also by General Hertzog, the Prime Minister of the Dominion of South Africa.

I doubt very much whether such views would have been expressed prior to the meeting of the Imperial Conference, but their expression following the decisions of the Conference is evidence that the action taken by the Conference has brought about a higher regard for the Empire itself, and a desire on the part of two leaders, who in past times were foes of Great Britain and the British Empire, to remain within that Empire. That being the case, we should not be alarmed in egard to the proceedings of the Conference, or its developments.

In that connection I might quote a sentence that I read only yesterday in a speech delivered by General Hertzog in Cape Town upon his return from the Conference. He declared that its results were not the work of one section or another, but that they had behind them the soul and spirit of the whole British Empire. He said that we should look upon those decisions not as the result of the agitation of a few Dominions, but rather as the outcome of the labours of representatives from all the Dominions, particularly those of the British Government.

The Committee dealing with Inter-Empire Relations had as presiding officer the Earl of Balfour, and he made this statement the other day in regard to the decisions which the Conference had taken:

> Equality does not mean separation. The Empire is held together by broad loyalties and common feelings of interest and devotion to the great world ideals of peace and freedom more than anything else. This was the bond of Empire and if it was not enough, nothing else would be. Any difficulty that might arise with regard to the separate entity of each of the self-governing states of the Empire, wherein all were equal, would be overcome in practice just as difficulties had been overcome at Geneva in European affairs.

I am prepared to judge of the results of that Conference from the views expressed by statesmen of such long experience and great prominence in our affairs as the Earl of Balfour.

Now, if I devote my remarks to one paragraph of the Speech more than to another, it will be to that relating to the evidences of prosperity existing in Canada at present. I approach the subject without any party spirit or boastfulness, but with a desire to place before this Chamber, composed of men representative of business and other interests in this country, from possibly a sectional viewpoint, at any rate a Western Canada viewpoint, evidences of prosperity applicable to one very great section of our country.

We naturally look for such evidences to our trade returns, and improvement in the business we are doing with other nations is evidence that Canada is prosperous. We find that within one year there has been an improvement in our export trade of over $233,000,000. I think that in exports alone, in proportion to population, Canada to-day stands second only to New Zealand in the entire world, and in its total trade, in proportion to population, Canada stands sixth among the nations. It is a notable fact that the increase in our exports since 1913 has been in the neighbourhood of 100 per cent. That is a marked development over the pre-war years, and is proof that Canada is in an era of expanding prosperity.

If this Chamber desired other evidence of our prosperity, one of the most notable achievements has been in connection with the Canadian National Railways. Only a few years ago we were in despair about that project; we were continually hearing of deficits; but now we have reports of surpluses. Four years ago there was reported a surplus of $3,000,000, but this year we are led to believe that the surplus will be $45,000,000. That condition could be brought about by

only two things—good management, and improvement in conditions in the country. There must be increasing traffic for the railway before a report of that character could be made; and that traffic has come to both of the great railways of this country because of continued development and improved industrial conditions in Canada.

Mention was made, and quite rightly, of the great harvest in Canada at large. On the western plains alarming conditions existed in the early part of the harvest season, and it was feared that what promised to be one of the most bountiful crops would be completely destroyed or largely damaged on account of weather conditions. I think I am warranted in saying that conditions improved until practically the crop was almost as good as it would have been had not bad weather interfered. At any rate, in the whole of Western Canada there has been a very large crop, with good financial returns.

However, in viewing agricultural conditions in Western Canada it is a mistake to base our judgment as to the prosperity of that section of our Dominion on grain crops alone. It is true that a few years ago grain was the chief product of our western farms, but a vast and very remarkable and welcome change has taken place, and agricultural wealth is being produced not only through crops of grain, but also through mixed farming. I should like to say something about that particular development, because I sometimes think that the country at large is not acquainted with what is taking place; and if I refer to the Province of Alberta it will be only because I possess the figures in regard to the development of that province.

Alberta was created a province in 1905, but five years before that, in 1900, the total value of all the dairy products of the farms of that province was barely over $500,000. In 1924, as shown by the last figures I have available, the value of dairy products in Alberta had reached a total of $23,000,000. That is proof that the western farmer has been heeding the advice given in past years by leaders in industry and finance in Eastern Canada. Our farmers probably did not like the advice when it was given, but conditions warranted a change from grain-growing alone to mixed farming. Although when the province was created Alberta was able to produce only sufficient dairy products for its own use, there was exported in a recent year over 4,000,000 pounds of butter to other parts of the world. In 1905 the total value of agricultural products in Alberta was $20,000,000; in 1925, this last year, the value of agricultural products in that province alone reached the great sum of $254,000,000. That is not due to grain alone. It is due to this change in the character of our farming, and the fact that our people are engaging more and more in diversified agriculture.

A notable incident has occurred within the past few weeks that I want to bring to your attention in connection with a view that I am going to advance with regard to immigration. You all know of the International Stock Exposition which is held at Chicago. The awards made at that Exposition are regarded as carrying with them the world's championship. That is to say, a man who goes there and wins a prize for grain is recognized as the world's champion in that field. This year the chief prizes for both oats and wheat went to a man whose farm is situated in the Province of Alberta 450 miles north of the American boundary. It is an interesting fact that it is possible to raise grain of prize-winning quality in such a region. I might also recall that in 1876, fifty years ago, long before the creation of the Province of Alberta, the chief prize for wheat at the Centennial Exhibition in Philadelphia was awarded to a man at Fort Vermilion, some 700 miles north of the American boundary. That will establish in your minds the vast possibilities of that country, and will help you to realize that even in the most northern sections it is possible to make a success of agriculture.

But the point I wish to make has to do with the immigration problem that is facing the country. At no time in Canada's history have we needed people more than we do at the present time. We have a huge debt; we have a railroad problem; and the chief solution of our difficulties seems to depend upon bringing more people and more capital into our country and further developing our vast natural resources.

There are many angles to our immigration problem. There are some people who say that we should bring into Canada only people of British stock; there are others who hold that it is in the interests of the country to bring in people from all over the world and settle them on the plains of the West; there are others who argue that above all we need men of experience—that it is foolish to settle on the land men who have no knowledge of agriculture. I am inclined to agree with this last opinion, but at the same time I do not argue that men without agricultural experience cannot make a success of agriculture. The gentleman who won the prize at Chicago this year never saw a farm until a few years ago. He fought in the war, and after his return he went to the University of Alberta and grad-

uated in civil engineering, and it was while he was engaged at his profession in the Peace River country a few years ago that he decided to take up farming. This gentleman is not the only one who, lacking practical experience, has been able to make a success of farming. There is in the Province of Saskatchewan a gentleman named Mitchell, who came out from Great Britain, where I think he was engaged in an iron foundry, and who on a number of occasions won prizes at Chicago. In Alberta we have another distinguished farmer, Major Strange, who, I am informed, knew nothing about agriculture until after the war. All this goes to prove that we cannot draw the line too sharply and say that we will accept only men with experience. What we should desire more than anything else is to secure men, preferably Britishers, who are prepared to go upon a farm and work for a year or two, if necessary, in order to understand agriculture, before investing their money in land. It would be foolish to bring men here and encourage them to invest their money in farms in the Maritime Provinces, Quebec, Ontario, or the West, unless they were prepared to go on farms for a limited time, in order to gain experience. As I say, we need population more than anything else, and I do not think we should limit our source of supply to the British Isles. The bulk of the people of the British Isles who are seeking new homes are not agriculturists, and there are large numbers of people in certain sections of Europe who would make desirable settlers and be able to overcome the hardships that it would be necessary for them to face in this country.

I think it is a mistake to paint too glowing a picture of conditions here; I think it is better to tell the truth, to let the people know that we have hard winters and that if they come here they may have to put up with hardships. It is very undesirable that we should give them a wrong impression, because then they become ambassadors of gloom and send back reports that are anything but favourable to this country. Let us tell them the truth, so that they may be aware of the problems that will confront them here.

Entirely apart from agriculture, western Canada is making progress. Slowly and surely other industrial activities are extending over the western plains. The pulp industry has been established in the Province of Manitoba. In Alberta the beet sugar industry has only recently been started, and although an investment of over $1,000,000 has already been made by an American company in plant in that Province, at the present time the industry is able to meet only a portion of the demand that exists in the Province of Alberta itself. From this you will see that there is room for considerable expansion and for the establishment of other factories, and all this development will tend to promote agricultural prosperity.

We hear a great deal of criticism of United States capital coming into this country. American capital seems to be more eager than Canadian capital to develop our resources. When we wanted to establish a beet sugar industry we could do so only by means of American capital; and when we want canning factories we apparently have to depend upon the canning industry of the United States rather than upon that of Canada. In my opinion that is a mistake. I think that our industries should have more confidence in this country, and should be willing to do everything possible to encourage mixed farming and manufacturing.

I desire to mention very briefly a development that is taking place in the Province of British Columbia, where last year the mineral wealth was estimated at $68,000,000. At Kimberley, B.C., on the border of my own province, there exists to-day one of the greatest lead mines in the world. Those of you who are familiar with the stock markets have heard of the Sullivan Mine. That development has been gradual. Only recently have the people begun to realize what is taking place in East Kootenay. It is estimated that in that one small section of British Columbia there will be a production of 8,000 tons of lead ore per day, and it is likely that another smelter will be established to handle it.

I think it is only right that I should emphasize these facts relating to our prosperity and development. This is a season of good cheer, and if I can lay before honourable Senators and others who may read my remarks a cheerful story, I shall feel that I have rendered a service to the country.

I could touch upon other developments taking place in Western Canada, but as they are still in the initial stages, I am a little fearsome about mentioning them. Some of our eastern friends are skeptical about the petroleum resources of Alberta, but wells have already been brought in that are producing great wealth, and vast sums of money are being spent all over the province in the search for resources that undoubtedly exist. Right across the border from Alberta, in the State of Montana, oil derricks can be seen for miles and miles. Surely Providence did not cut off that great natural resource at the Canadian boundary; surely we have every right to believe that it will be found on our

side of the line. If our hopes are borne out, vast sums of money that are now going out of the country each year for the purchase of petroleum products will be expended in Canada, and we shall have the benefit of the expenditure.

Mention is made in the Speech from the Throne of the report of the Commission on Maritime Rights. Since we in the West have our problems, and since there has been much agitation concerning them, I feel warranted in expresing some sympathy with the people of the Maritimes, and I voice the hope—and I think it is the hope of Western Canada—that, based on the report of the Commission, some solution of those problems will be found. On the other hand, I think it is correct to say that the solution of most of the provincial problems rests with the provinces themselves rather than the country at large. Thinking of the movement of the products of Western Canada by rail and by water to the British market, one naturally wonders why it is not possible for the agriculturists of the Maritime Provinces to devote themselves to the raising of the products most in demand in Great Britain and in Europe—live stock, dairy products, and other commodities—when all they have to do in order to reach a market is to put their products on a vessel at Halifax or St. John. It seems to me that a solution of at least some of the problems of the Maritime farmers might be found in concentrating in that way. At any rate, we ask for sympathetic consideration of the problems of the Maritime Provinces, and we hope it will not be long until they enter upon the prosperous era that we feel we have reached on the Western plains.

Now I have dealt with the subjects that I particularly wanted to mention. In closing I would urge upon you the view that the great need of Canada at the present time is not only unity on the part of its people, but also faith and vision. If we have a people with faith in the country and its resources, and vision as to its future destiny, we need not fear for the welfare of Canada.

Hon. O. TURGEON (Translation): Honourable gentlemen, it was not without misgiving that I accepted the task of seconding the motion for an Address in reply to the Speech from the Throne, being well aware that, under the circumstances, a member more capable than I could better describe the financial and economic conditions of the country and more effectively direct the attention of the people of Canada to the present situation.

But before entering upon my subject I desire to pay my respects to His Excellency the Governor General, who for the first time has convoked the Canadian Parliament and laid before us a program for the study of the most important questions affecting the country. May I assure His Excellency that his arrival in Canada is a source of pleasure to all. The great services which he has rendered to Great Britain and the Empire in the various public missions with which he has been entrusted are such as to command our admiration, and we are already certain that his sojourn among us will be an increasingly pleasant one. It gives me pleasure to join with the mover of the Address, especially in the name of the people of the eastern provinces of Canada, in extending a cordial welcome to His Excellency, as well as to his noble and gracious consort, who has likewise succeeded in winning the sympathy, respect and admiration of the Canadian people.

I desire to associate myself with the mover of the Address in the tribute of admiration which he has just paid to our former Governor General, Lord Byng. I, too, have admired Lord Byng's love for our country and the interest that he has manifested in all our relations. Indeed I may say that no Canadian appreciates more highly than the humble representative of Gloucester the work which Lord Byng has done, not only throughout his term in Canada, but especially during the war. With the exception of Marshal Foch and one or two British generals, he certainly contributed most towards bringing the conflict to a close. His name and achievements will always be remembered by us and by our posterity, and will forever occupy an honoured place in history.

It affords me much pleasure to be able to say that Canada has for some time past been enjoying an era of prosperity which is already remarkable and gives promise of increasing from year to year. We see evidences of this in the spirit of the masses of the people, who, instead of expressing discontent, and fear for the future, are now exchanging smiles expressive of happiness and prosperity.

Statistics show that there is hardly any unemployment at present, and that industries are daily increasing their output. These reports are confirmed by statements from persons and firms who are in the best position to know the industrial and economic conditions of the country; and they are corroborated by the directors of our principal Canadian banks, one of which, the Royal Bank of Canada, in its recent annual report,

gave incontrovertible evidence of the increase in trade and the development of our natural resources to a degree hitherto unknown. We have also the declaration of the Bank of Montreal, the greatest financial institution in Canada, indeed one of the greatest in the world, which gives us definite reports of the most encouraging kind with reference to the future. These institutions declare that all branches of trade are very active, and that, notwithstanding keen competition, profits are growing, and there is an increase of confidence on the part of capital invested in the development of our natural resources, particularly in the pulp and paper industry, in mining, and in the utilization of the country's water-powers. Such authorities are among the most reliable.

It is also shown by official figures that since the first of April of the present year no less than 42,026 Canadians who had crossed the boundary in the hope of improving their fortunes have returned to Canada with the intention of remaining here.

Immigration during the first six months of the year 1926 reached a total of 122,848 persons—an increase of 63 per cent as compared with the figures for the corresponding months of last year.

In the face of all this evidence we cannot but believe that an era of increasing prosperity has begun.

Furthermore, if we examine the railway situation in Canada, we observe with pleasure, and even surprise, the progress that has been made in the operation of our National Railways. The latest report of the Deputy Minister of Railways of Canada sets forth the improvement that has taken place since our railways were taken over by the Canadian National Board. The impression created by the report for 1925 is so favourable that we begin to perceive the possibility that during 1926 the Canadian National System may be able to pay out of its own revenues the full amount of interest due to the public; and this means that for the first time the System can discharge all its obligations without borrowing, for the payment of interest, from either the Government or the people.

In this report of Major Bell it is stated that during the fiscal year 1921-22 it was necessary to provide the sum of $183,000,000 on account of the Canadian National Railways, whereas in 1925-26 the amount supplied by the Government was only $10,000,000. In 1920 the addition to the railway debt reached $145,000,000, of which $14,000,000 came from the Government and $131,000,000 from other sources. In 1925 the addition to the railway debt amounted to about $63,000,000, comprising $31,000,000 from the Government and $31,000,000 on account of running expenses. The report shows that the annual deficit has been reduced from $80,000,000 to $41,000,000. That gives us, I think, great encouragement for the future, and it is to be hoped that the same wise management will insure the continuation of this period of prosperity. The increase throughout Canada in the traffic of our Canadian railways leads us to believe that they will not only meet their expenses, but become a source of revenue for the country.

Coming as I do from the Maritime Provinces, I find in the Speech from the Throne certain clauses which are very reassuring. I desire to refer to the report of the Royal Commission which has been investigating the economic situation of the Maritimes. This Commission was appointed by the Government last session—in the month of March, I believe—and was authorized to enquire into the causes of the numerous complaints coming from the Maritime Provinces in recent years. The Speech from the Throne announces that the conclusions contained in the Commission's report are at present under consideration by the Government, and that a Bill will be introduced for the purpose of carrying out these recommendations. With due reserve, I venture to express the hope that the Government and Parliament will give effect to the recommendations in so far as they are found practicable and constitutional. Honourable members of the Senate are aware that I have always been sensitive about any attempt to change our Constitution, which the experience of years has taught me more and more to respect.

One of the recommendations which I appreciate most is that concerning the fuel problem. We are told that measures will be submitted for the purpose of providing assistance to works constructed for the production of domestic coke from Canadian coal.

Coal mining is the chief industry of Nova Scotia. The production of coal in that province has decreased, and the cause is largely the importation of coal from the United States, especially into the provinces of Quebec and Ontario, which have not the advantage of possessing this great natural resource. The proposal is often heard that the duty on American coal should be increased. Honourable members of this Chamber are aware that I have never been a great admirer of high tariffs, particularly on the necessaries of life. An increase in the tariff would naturally raise the price to the consumers in the two provinces which I have just mentioned; whereas the establishment of an industry

producing coke from Canadian coal would insure what might be called a Canadian market for the output of the Nova Scotia mines. I hope, therefore, that the necessary steps will be taken to give all possible encouragement to coking plants and thus promote a great expansion in both the country's trade and the traffic on our railroads.

This conversion of Canadian coal into a smokeless domestic fuel of high quality, equal to anthracite imported from the United States, is an industry capable of great development, as yet hardly perceived by the people. Besides coke, we can obtain by this process a gas which is suitable for domestic and other important purposes. With scientific treatment our coal will also yield oils, and will develop electric energy as cheaply as our water-powers, which cannot be made available to all corners of this vast Dominion. I congratulate the Government on having recognized the potential value of this new industry.

The great question studied by this Commission is the problem of transportation and railway freight rates. Transportation is a vital question not only for the Maritime Provinces, but for the whole of Canada. The resources of our country are immense—I might say inexhaustible; at least our fisheries; but these resources are distributed over a vast area extending for three or four thousand miles from the Atlantic coast to the Pacific. Our home consumption is entirely inadequate for our production. The most productive regions are situated far from our seaports. The Prairie Provinces, for instance, are separated by great distances from both the Atlantic and the Pacific coasts. It is the increase of production in those provinces that will contribute most to the prosperity of the industrial provinces of Quebec and Ontario, because greater agricultural yield will mean greater production of farm implements and other goods which the western provinces do not manufacture. Similarly, the prosperity of the Maritimes will contribute to the prosperity of the central provinces.

The development of our natural resources and the distribution of the products thereof demand, therefore, intelligent and wise consideration on the part of the authorities managing our railways. It is only by an improvement of traffic that the railway situation may be saved; and in this connection it is necessary for us to keep as much traffic as possible for our Canadian lines and Canadian seaports, instead of allowing traffic to be diverted to United States channels. The utilization of our ports of Saint John and Halifax is, in my opinion, the best means of preserving harmony among our people and giving a great impetus to their prosperity. They are asking that the products of the West be shipped by Canadian Atlantic ports. It must never be forgotten that, had it not been for our winter ports, Confederation would probably never have taken place.

These ports still lack the necessary equipment for winter traffic, but I am glad to observe in Clause 16 of the Commission's report a recommendation to the Federal Government to establish under our laws, for each of these ports, a harbour commission, whose duty it should be to improve the harbour so that gradually outlets would be developed which would permit of business being carried on in winter as well as in summer. I have always regretted the rejection or postponement of these measures by the people of Saint John. I feel sure they will accept the present proposal. The development of our Atlantic ports will also increase considerably the trade of Prince Edward Island. It must be admitted that since the beginning of the present year, 1926, the President of the Canadian National Railway Board, Sir Henry Thornton, has contributed in large measure towards the improvement of conditions in the Atlantic Division of the System, and I am confident that he will continue to carry out the program which he has outlined.

I concur in the declaration of the Royal Commission that the Atlantic Division should extend to Levis instead of Rivière du Loup. In fact, I asked a couple of years ago, in this Chamber, that that change be made.

I hope that the demand for a preferential tariff on goods will be received with all possible sympathy by the Railway Board, for I am certain that the reduction of freight rates would soon be offset by the increase in traffic.

The report of the Commission recommends also a study of the question of provincial subsidies, particularly those of the Maritime Provinces. This problem can be solved only by an Interprovincial Conference, whose conclusions should be unanimously approved by our legislatures in the general interest of all the provinces.

Coming as I do from New Brunswick, I am deeply interested in the prosperity of the Maritime Provinces. However, there are in this report certain remarks which have particularly attracted my attention. It is said that the subsidies are not sufficient and have not produced the result expected of them. It is true that the Fathers of Confederation,

when they fixed these subsidies, believed, as they were justified in believing, that the population of our provinces would multiply, and that the subsidies would consequently increase in the same proportion. Certain facts are always painful to recognize and announce, but for the future welfare of our provinces themselves I must point out that our people, instead of remaining on our soil, have gone off to the United States, and that the population of these provinces may be said to have remained stationary. Very small is the proportion of our people who have gone to settle in the western provinces. Those who have left have nearly all gone to the United States.

At page 14 of the report it is stated that since 1911 the population of the Maritime Provinces has increased only ten per cent. The Commission may not have been fully informed of the situation, as I am; so I may be permitted to point out that the increase of population in the Province of New Brunswick is entirely due to the French Acadian population. I regret to say, but in the public interest I must say, that the English-speaking population of the Province of New Brunswick, from Confederation until 1921, increased by only 31 souls. To-day my colleagues from New Brunswick are crying out for foreign immigration. It is deplorable that we have allowed our own children to leave the country. The vacant lands now offered to the foreign immigrant in the Province of New Brunswick should never have been abandoned. The number of our own children who, in a single generation, have left that province for the United States is almost equal to the present population. I have always sought to have our people kept at home, and if in the course of my career I have not succeeded as I desired, I can at least assert that the County of Gloucester shows a greater increase than any other part of the province.

I have had occasion more than once to meet my colleagues in the House of Commons and other authorities of our province who were demanding a change in the Constitution which would give us the right to retain our representation in Parliament. I have told them that we ought first to retain our own people, and that the natural increase would then enable us to maintain our representation.

I trust now that the recommendations submitted by the Royal Commission on the subject of colonization will receive the most careful consideration from our authorities, provincial as well as federal, and that they will try to keep our people on Canadian soil, and especially in our own province.

Hon. Mr. TURGEON.

The Speech from the Throne mentions that remarkable progress has been made in the construction of the Hudson Bay Railway, and announces the Government's intention to submit the study of conditions at the port to the careful examination of an outstanding British authority on tidal and estuarial conditions affecting harbours. I am pleased, indeed, to see this step taken, for I have always doubted, and I still doubt, the practicability of navigation to the harbour of Port Nelson. The natural conditions at Fort Churchill are recognized as excellent. It would be a real misfortune to choose a seaport in which currents and storms might cause heavy damage to traffic. It is reassuring to learn of this decision of the Government, which means, I think, that if it is found desirable to use the harbour of Fort Churchill, the necessary change will be made.

The Speech from the Throne announces also the recent appointment of a Minister Plenipotentiary accredited by His Majesty to represent the interests of Canada in the United States. This certainly marks an important stage in the evolution of Canada's international relations. The work of our worthy representative will assuredly tend to create between the two countries a spirit of harmony and fraternity which in the future may well assist in solving many international problems of great importance. His work may also bring about a feeling of commercial and economic co-operation which will be to the advantage of Canada as a whole, and particularly the Maritime Provinces.

The witnesses who appeared before the Royal Commission of Inquiry on Maritime Rights all urged the free admission of the products of our forests, lands and fisheries to the American market—a privilege which we lost in 1911 by the rejection of reciprocity with the United States. Let us look forward with renewed confidence to a better future.

It is my heartfelt wish that Canada's Minister Plenipotentiary at Washington may have all possible success in his important mission. Hon. Vincent Massey is possessed of all the ability and qualifications required for the discharge of the high duties which the Government have entrusted to him. The office has certainly become a necessity, the relations between the two countries having assumed such importance; and only a Canadian, thoroughly familiar with Canadian sentiment, can speak with the desired authority for this country. Henceforth we shall have to negotiate our own treaties and assume responsibility for them.

The Imperial Conference has defined officially the autonomy actually enjoyed by the Dominions.

Our Prime Minister, the Right Hon. Mackenzie King, has expressed, with deep gratification, his belief that the conclusions of the Imperial Conference are a sure presage of greater harmony among the different Dominions, and he has added that if the Conference has produced no great changes, it has certainly let other countries know more clearly than ever the real conditions existing among the various parts of the Empire. Our autonomy in our own affairs is absolute, and is recognized as such. This freedom of action in our own house does not diminish in the least our great respect and affection for Great Britain and the other Dominions.

Our external relations, our freedom of action in the international field, in no wise affect our internal Constitution, which is written indelibly and permanently and cannot be changed in the slightest degree except with the unanimous consent of the legislatures of all the provinces of Canada. We have our Canadian courts to determine questions of law in certain controversies which may arise among the provinces. It is futile to arouse fears on the subject of the rights of Catholic or other minorities, or on the subject of bilingual rights. All these rights are immune from attack.

Canada's representative, our Right Hon. Prime Minister, and his adviser and collaborator, the Hon. Minister of Justice, are certainly deserving of our high esteem and hearty congratulations for their attitude at the Conference, where they seemed to dominate the situation and won the respect and admiration of their associates from Great Britain and the other Dominions, as we have seen by the gracious tributes appearing in the entire British press.

Let me add a final word. The Sixtieth Anniversary of Confederation is to be worthily celebrated in 1927, we are assured in the Speech from the Throne. No Canadian is more highly gratified than myself to learn of this decision on the part of the Government. Hitherto the formation of this Dominion has not been commemorated with the splendour necessary to inspire our youth with great respect for the work of the Fathers of Confederation. Upon the rising generation will devolve the duty of governing this country, and it will be their task to govern it in accordance with the traditions of our founders. Let us encourage our youth along the right path, in love of our country, which has already attracted the admiration of many nations of the world, and which, with the United States, has a special mission to accomplish towards the peoples of the Orient, with whom we should have the most friendly relations in the years to come.

The Government are to be highly commended upon their action in extending an invitation to the Prince of Wales to visit Canada on the occasion of our Diamond Jubilee. We look upon him as not only our future King, but also a Canadian citizen. I am pleased, too, that the Prime Minister of Great Britain has been invited to come to Canada. I earnestly hope that they will both be able to pay us a visit on this occasion.

Hon. W. B. ROSS: Honourable gentlemen, I promise to detain you but a short time with the remarks that I have to make in respect of this motion. First of all, I would like to congratulate the mover and the seconder of the Address on what they have had to say. Particularly do I refer to the remarks of the mover, as it happens that I more clearly understood him than I did the seconder. If there was anything wrong in the remarks of the seconder of the Address I may have to take him to task at some other time, when I see his words restated in my own language.

Hon. Mr. DANDURAND: My honourable friend may be sure that he supported Maritime Rights.

Hon. W. B. ROSS: I am glad to hear that; that will cover a multitude of sins.

The remarks of the mover of the Address were particularly pleasing to me, both in regard to their contents and the spirit in which they were given. It was a perfectly fair speech; it could not have been fairer if delivered from this side than it was as delivered from his own. The remarks that he had to make with regard to the harvest and the condition of things in the West were certainly pleasing. As I understand from the newspapers, and from the remarks of the mover, the wheat crop of the West is safe for the year; at least enough of it to make the revenues this year as good as they were last year; which is very satisfactory to know.

We know that there has been great development in paper and pulp, and at least a fair year in lumber and fishing, and a great development in the mining regions in Northern Ontario and Northern Quebec. Along with that there has been a pretty large and growing export of manufactured goods. All of this is satisfactory and pleasing to every man, no matter what his party politics may be. I am glad to find that that is the

fact, and I hope that this prosperity may not only continue, but increase at a compound rate.

I think the country as a whole is to be congratulated as regards the condition of business. I must also compliment the Government themselves on their modesty, because I do not find that they claim credit for the good harvest as originating solely with themselves. That has not always been true of Governments on either side.

Right Hon. Sir GEORGE E. FOSTER: A case of mere forgetfulness.

Hon. W. B. ROSS: Governments are inclined to take the credit rather than give it to Divine Providence.

I agree entirely with the remarks of the mover of the Address in regard to the Imperial Conference. He seems to have taken the position as set forth in the statement of Lord Balfour. I do not believe that the Conference has changed our position in the slightest degree. I am speaking now of our relations to the mother country and the sister Dominions. We are exactly where we were before the Conference met. It has stated our position again, and I do not know that it has been made any plainer. I have read the speeches of Lord Balfour, and his position, I take it, is this: "You may put questions to me that I cannot answer except by saying, 'Wait until the thing happens.'" We had questions put to us in 1914, on a difficult situation, and the spirit of Empire answered them. What Lord Balfour says now is that we must wait until the difficulty arises, and the spirit of Empire will answer again. If it does not, a mere written contract or verbal statement is of no value.

It is true that we have a different status and a different stature to-day from what we had in 1914. I do not want to belittle what politicians have done. They have done something; and it is something for a politician not to put any obstruction in the way if he cannot help a matter along. Sir Wilfrid Laurier and Sir Robert Borden and others have done well by the Dominion, and I do not want to detract from them at all, but I say that the name Canadian is an altogether different word in the world to-day from what it was in 1914. While giving due credit to the politicians, we must recognize that, after all, it was our men who fought and died on the battlefields who gave the Canadians the status in the world they have to-day. That is true not only of Canadians; it is true also of Australians and New Zealanders.

I have said that if there had been any advance or any change in the position of things since this Conference was held, it would be found to be verbal rather than real. There are still problems to solve, and they are only to be solved as indicated by Lord Balfour. It still holds true that if two men ride a horse one must ride behind; and if two Governments are going to deal with an important matter like a declaration of war or a declaration of peace, one of them must have the final say, and one must ride behind.

Hon. Mr. CASGRAIN: Which is going to have the final say?

Hon. W. B. ROSS: My honourable friend will have to answer that; I do not pretend to answer. I simply say that things are exactly where they were before, and I am not at all frightened as to the issue. I have no criticism, nor anything further to say in regard to the matter. It is a satisfaction to know that our Ministers while in London succeeded in reaching an agreement not only with the Imperial Ministers they met there, but also with the Ministers of the sister Dominions. They all seem to be satisfied, and I think that we ought to be satisfied too.

Leaving that question, I am not quite so sure that I appreciated the remarks of the mover of the Address with regard to the Maritime Provinces. I think he gave them a little lecture upon helping themselves. Perhaps they deserved it, in one way, but I think he will find them now just a little difficult on that question. There is something else before them: the report of the Duncan Commission. It does not take much examination to see how serious a document that report is. It deals with the whole structure of the Confederation agreement, and it would be asking too much of me to say off-hand that I approve or disapprove of it. I want time to consider it, and to consult business people with regard to it. I think honourable gentlemen will find that they require assistance in considering that report, in order to ascertain its true meaning and what it will involve in the matter of legislation. In the meantime the report itself is quite harmless. The important matter will be the legislation, in respect to that report, to be submitted to Parliament by the Government. As I understand it, the Government are pledged to enact legislation to carry out the report of the Commission, and I suppose the fair thing for us to do is not to talk too much about it now, or try to throw anything in the way of the Government, but wait for the Government to submit their legislation. No doubt we shall have that immediately after the adjournment, and when it is presented, there will be a great deal of discussion. In the hope that the Government will deal with the matter at an early

date, I pass on, without expressing any opinion as to just what lines the Government should follow.

There are one or two other matters in the Address to which I would like to refer briefly. From the present situation in regard to Western railroads, and particularly the statement that an expert is to be sent up to Hudson Bay to examine and report, I should judge that the Hudson Bay Railway and the branch lines in the West are practically being knocked together, and that we may safely deal with them all on the basis of what may be called colonization railways.

In regard to this whole question I have never made any secret of my sympathy with the Northwest in the matter of branch railways. I think I once stated in this House my theory on this subject, that when a man settles on the land he must have transportation in some form, either by water or by rail, because if he has not, he dies or must leave the land. I further say that I object to a man having both water and rail transportation while part of the country has neither. In the same way I object to any part of the country having two railways while other parts have none.

Anyone who has read the history of the Canadian West must see that for the future we have to expect an almost annual expenditure, and a pretty substantial one, for railways there. One of the big railway men—I think it was Hill—in speaking of the Western States, said that a man should be able to get his wheat to his elevator without having to haul it farther than five miles. He added that in those rich wheat belts roads could be laid within ten miles of each other and run successfully from a financial point of view. I have just that feeling about our Northwest. We have to face the problem. The farmers are entitled to have roads. For the present, I think that if a man gets within fifteen miles of his elevator he can live, though it would be better for him if he were only ten miles from it, and better still if only five.

But I think we have been used a little bit unfairly by the West. I was speaking to a western man the other day, and he was complaining about our obstructing their branch roads. I replied: "It is partly your own fault, and you will have that trouble again unless you do one thing. You asked us in ten or fifteen cases for a Bill to construct a road from Point A to Point B, at a cost, in one instance, of $5,500,000, without giving a single word of information about what there was at A or at B, or between A and B." I think that before being called upon to consider any of those branch roads we ought to have full information laid before us. In the old country a petition states what land there is, and what people there are, at A and at B, and what lies between. Such information is available to the West. Further than that, we ought to have the assistance of the Railway Commission. It is one of the institutions of the country, having engineers and a whole staff. If a road is suggested to us, we ought to have from the Railway Board either yes or no as to whether it is justifiable or not. More than that, we must have some guarantee that all the roads will serve their own territory. They should be put under the control of Parliament. If a Government road is satisfactorily serving a certain territory, and making markets available to it, I would not allow the C.P.R. to come in on that territory. Vice versa, I would not allow the Government road to go on the territory of the other. Of course the time will come when we shall have more money and more people to the mile, and the problem I am now mentioning, of seeing that all parts of the country are provided with railway service, will not be so acute as it is to-day. I am quite willing to allow that clause in the Speech from the Throne to pass, with the qualification that before I vote for any of those roads I want to be fully informed with regard to them.

There are one or two other things that I might mention. There are the proposed measures for Farm Loans and Old Age Pensions. It is perhaps better not to say too much about those, because there is some suggestion that the Bills may be altogether different from what were laid before us at the last Session of Parliament, but I am prepared to meet both measures in a perfectly fair spirit, and give them the same fair treatment that they received from us last year.

Hon. Mr. CASGRAIN: Honourable gentlemen, I do not intend to take part in this debate. It has been intimated to us that time is very limited, and I hope that during the Session, perhaps some time in February, we shall have plenty of time to talk about these various things. I am sure that on that occasion we shall hear from the junior member for Ottawa (Right Hon. Sir George E. Foster), who will tell us all that the League of Nations has done.

But I rise on a question of urgency. I have not been very much in favour of having a representative of our own at Washington, but we have appointed His Excellency the Hon. Vincent Massey, and there is something for him to do, and do at once. If he succeeds, I for one will say that I was absolutely wrong in thinking we should not have a representative at Washington. Citizens of the United

States have caused damages to His Majesty's subjects in Canada amounting to millions and millions of dollars every year by the diversion of water through the Chicago Drainage Canal. This diversion has been taking place for some time and we have had no redress; I do not know why. I know some people wrote to the British Ambassador, Sir Esme Howard, and told him that His Majesty's subjects were suffering at the hands of a foreign country; but nothing has been done. We are suffering enormous damages every year. Honourable gentlemen have no idea of the volume of water that should be flowing into the basin of the St. Lawrence, but is being poured into the basin of the Mississippi. It is equal to the flow of the mighty Saguenay, or twice the normal flow of the St. Maurice River.

Now that we have an Ambassador, perhaps he can do something to stay this diversion. He cannot stop it entirely, I understand, because the Supreme Court of the United States and the Secretary for War have agreed that a certain amount of water may be taken. If only the water absolutely necessary for sewage purposes were taken, the damage would not be very great, but no less than 11,000 cubic feet per second is being used. About 30 miles from the shores of Lake Michigan no less than 40,000 horse power is being developed on a drop of 40 feet. If that water were allowed to follow its natural course, where there is a drop of 400 feet, it would develop 400,000 horse power. But we are deprived of the benefit of that. Perhaps we were little previous in appointing an Ambassador, a minister plenipotentiary; possibly we might have been satisfied with Consuls, as has been suggested by President Coolidge. However, this is not a commercial question, but an international matter that will require all the skill and ability of a real plenipotentiary.

There is another case now before the Supreme Court of the United States in which the State of New York, the State of Michigan, and other States are protesting against the action of the State of Illinois. But we have no redress. When the case was before the Court and the action of the State of Illinois was being condemned, what did the lawyers say? I had the briefs of the appellant and the appellee, which contained no less than 500 pages. What did they say? In the last three pages they upset all their arguments by saying: "We do not ask you to stop the diversion of the water; we simply want you to confirm the supreme right of the United States in this matter, and to state that you have the right to stop such diversion." It was said that there were 3,000,000 people in Chicago and that the public health would be jeopardized if this water supply were cut off.

The Secretary of War allowed the taking of only enough water for sewage purposes, but that order was being disobeyed.

While I am on this subject, let me refer to another matter. There are commissions of engineers, one in Canada and one in the United States. What do the United States want? They want us to hand over our rights in the St. Lawrence river, nine-tenths of which is in the Province of Quebec. The State of New York wants a neutral zone established, five or ten miles in width, on both sides of the St. Lawrence river. That zone would take in the cities of Montreal, Three Rivers, and Quebec. Just fancy the treatment that we would get at the hands of those mighty American engineers! You can hear them saying: "Why, don't you know that the United States of America is paying for this? We are going to do as we please." It reminds me of the story of the English lady giving advice to her boy. "My boy," she said, "if you play marbles, always play with a fellow smaller than yourself, so that if you cheat you can lick him." That is the way we would be treated by the United States.

Therefore I say this is a matter of urgency, and I hope the Government will immediately issue instructions to our new Ambassador, His Excellency the Hon. Vincent Massey, to see at once that we receive some sort of redress. I suppose that under our new status, which the Leader of the Opposition did not want to talk about, our Ambassador would have access to His Majesty, and I would suggest that he be given instructions to communicate with His Majesty and tell him that his subjects are suffering at the hands of a foreign people to the extent of millions of dollars a year. I would advise him to ask the Chancellor of the Exchequer, the Right Hon. Winston Churchill, to hold back from the money owing to the United States an amount sufficient to cover those damages till something is done to remedy the situation. If there is one thing the people of the United States like, it is money—even if they did win the war they want every cent that is owing to them.

Another matter to which I wish to refer is the Treaty of Lausanne. I think we should tell the poor Turks that we are still at war with them. They do not seem to know it. I know we made war with them, for I had a son very near the Dardanelles, and as Canada was not a party to the Treaty of Lausanne, we must still be at war with them. That situation should be ironed out. Perhaps we should make a Treaty of our own. In any event, surely we should not remain in a state of suspense.

Hon. R. DANDURAND: Honourable gentlemen, I thought that we had made the best possible choice of an Ambassador to the United States in the person of Mr. Vincent Massey, but after listening to the remarks of my honourable friend from de Lanaudière (Hon. Mr. Casgrain) I wonder whether we should not perhaps have turned to him.

Right Hon. Sir GEORGE E. FOSTER: It is not yet too late.

Hon. Mr. DANDURAND: I desire to join with my honourable friend (Hon. W. B. Ross) in congratulating the honourable gentleman from Lethbridge (Hon. Mr. Buchanan) and the honourable gentleman from Gloucester (Hon. Mr. Turgeon) upon the very interesting addresses which they have delivered in this Chamber: they were informative and highly satisfactory in form and matter. I may have failed to convey all that was said by my honourable friend from Gloucester (Hon. Mr. Turgeon) to my honourable friend the Leader on the other side of the House (Hon. W. B. Ross) when I interrupted him. He touched upon one matter of considerable importance, namely, the implementing of the recommendations made by the Duncan Commission. There may be in some instances a necessity for modification or amendment of the Constitution, and the honourable gentleman from Gloucester said that he hoped that those modifications would be carried out according to the spirit and letter of the Constitution.

Honourable gentlemen have referred to His Excellency the Governor General, and to Her Excellency Lady Willingdon, who have lately come to Canada. I desire to join in congratulating the country upon having, as the representative of His Majesty the King, such an able public man as Lord Willingdon. His career is familiar to us all. I am quite sure that he will discharge his duties with credit to himself and to the entire satisfaction of the people of Canada. Her Excellency will adorn Rideau Hall with the grace and charm that have been so evident since she has come to our shores. I pray that during their stay in Canada they may have all the happiness, comfort and satisfaction which it is within our power to bestow.

My honourable friend has spoken of the Imperial Conference, and has said that the conclusions of that Conference have not to his mind changed our status in any particular. My own conviction is that all the powers that are to be found in the report of the Imperial Conference were already contained within the four corners of our Constitution. I have had occasion before now to claim that those powers were there for us to enjoy as we needed them, and that the evolution of Canada since 1867 has been a natural development of the powers as conferred by the Constitution. It has often been stated that we possessed the status which is now recognized and crystallized in that report. The advantage that we shall find will be in the official recognition of that claim and free exercise of those powers. I approve every word of the proviso concerning the status of Great Britain and the Dominions. Here is what the Committee said:

> The committee are of the opinion that nothing would be gained by attempting to lay down a constitution for the British Empire. Its widely scattered parts have very different characteristics, very different histories and are at very different stages of evolution, while considered as a whole it defies classification and bears no real resemblance to any other political organization which now exists or has ever yet been tried. There is, however, one most important element in it which from a strictly constitutional point of view has now as regards all vital matters reached its full development—we refer to the group of self-governing communities composed of Great Britain and the Dominions.
>
> Their position and mutual relation may be readily defined. They are autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by common allegiance to the crown and freely associated as members of the British Commonwealth of nations.

I believe that this statement is very timely, not because our status was questioned within the British Empire, but because it was questioned outside the Empire. A member of the Senate of the United States, misapprehending completely our imperial organization, stated in a resolution that one of the reasons why they would not accept the Treaty of Versailles was that the British Empire was given six votes and the United States only one. The same impression existed elsewhere. A few months before the last general election in France, Mr. Painlevé, who became Speaker of the Assembly and then Prime Minister of France, declared that he adhered to the League of Nations, but was not yet reconciled to the idea that Great Britain should have six votes and France only one.

The situation which is officially described and recognized in that document has been at all times visualized by our leading statesmen. I have had occasion to state—I am not sure that it was not in this Chamber—that when the Fathers of Confederation sent their delegation to Great Britain, headed by Sir John A. Macdonald and Sir George Etienne Cartier, there was only one matter that had not been settled, namely, the title to be given to our country. When Sir

John A. Macdonald reached London he said: "I want the name and title of 'Kingdom of Canada'," and he was very near gaining his point. Memoirs that have appeared lately throw upon Lord Derby the responsibility of refusing that request, because at that time, in 1866, when the North had just won the war against the South, the United States were somewhat sensitive on the matter of European intervention on this continent, and somewhat nervous and impatient at the trend of opinion in Great Britain and Canada on the war of secession, and Lord Derby thought that that appellation, "Kingdom of Canada," would perhaps appear to be odious to our southern neighbour. Be that as it may, I believe that at that time we got the substance if we did not get the form. Sir John A. Macdonald wanted the title, "The Kingdom of Canada," with the King of Great Britain as our King, in order to establish the fact that we were no longer a dependency, but were an autonomous country with complete independence in the administration of our own affairs, under the same flag and the same crown. That was the end which Sir John had in view. Those were his principles; and we find them on the lips of Sir Wilfrid Laurier in 1908. I had occasion, at his death, to cite that excerpt from his speech delivered at the Tercentenary of the founding of Quebec by Champlain. In the presence of the present King of Great Britain and the Dominions, at a dinner given by the then Governor General, Lord Grey, and attended by representatives of all the Dominions who were present at that celebration, Sir Wilfrid Laurier thus spoke of our status:

As I advance in years I appreciate more the wisdom of that British constitution under which I was born and brought up, and under which I have grown old, which has given to the various portions of the Empire their separate free governments. It is our proud boast that Canada is the freest country in the world. It is our boast that in this country liberty of all kinds, civil and religious liberty, flourishes to the highest degree. To those who look only on the surface of things this may not be apparent. The fact that we are a colony does not alter the truth of this statement. The inferiority which may be implied in the word "colony" no longer exists. We acknowledge the authority of the British Crown, but no other authority. We are reaching the day when our Canadian Parliament will claim co-equal rights with the British Parliament, and when the only ties binding us together will be a same flag and a same Crown.

Hon. W. B. ROSS: What date is that?

Hon. Mr. DANDURAND: That was in August, 1908, at the celebration of the Tercentenary of the founding of Quebec. His Royal Highness the Prince of Wales came to Canada for that event. Sir Robert Borden claimed the same status at Versailles; he claimed the same status at London, and he made that very important step forward, the agreement with London and Washington for the sending by Canada of an official representative, a Minister Plenipotentiary. I am citing these three leaders, all Canadians and Canadian statesmen, who have been able to affirm that we were autonomous nations, sister-nations, but bound together by the same Crown and the same flag; and I find in the report of the Conference the sanction and acceptance of those very aspirations and declarations of the statesmen whom I have cited.

Of course, Canadians have done their share. The development of Canada is that of the whole nation. The right to affirm before the world that we were a nation to be considered, and entitled to enter the comity of nations, was established during those fateful years of 1914 to 1918 on the battlefields of Europe. But I accept, with my honourable friend, the statement that this official recognition is but the crystallization of principles which were in the British North America Act in 1867; powers which are to be used as we need them, and at the proper hour. The time has come when a nation of nine millions can ask to administer its affairs, and administer them in the name of one and the same King, at home and abroad.

I made that statement in explaining our situation when I had the honour of being made President of the League of Nations, because I knew that misunderstanding was rather outside the Empire than inside; and I remember that two years ago Mr. André Siegfried wrote a most interesting book entitled, "L'Angleterre d'Aujourdhui"—"Great Britain of To-day," which has had the honour of translation and of very many editions in English since then, and in which he said, coming to the study of the relations of the Dominions with the Mother country, that he had to acknowledge the great evolution that had taken place, but wondered if outside countries would not be somewhat reluctant to grant us that equality of status while we had no direct connection with them. It is much to the credit of Sir Robert Borden to have established that connection by decreeing that there should be a Minister Plenipotentiary in Washington; and I am quite sure that in the natural evolution of things we shall have representatives also at other capitals, so that that contact will be thoroughly established. So far as my reading of history has enlightened me, there is no precedent for six

or seven nations speaking to the outside world in the name of one and the same King.

I remember that the Hon. Mr. Pearce, of Australia, passing through here from Washington, after the Washington Conference of 1921, said that there were seven Plenipotentiaries there—two from Great Britain, one from India, one from South Africa, one from Canada, one from Australia, and one from New Zealand—all selected by their respective Cabinets, and all having in their hands credentials from one and the same King. How illogical! "Yes," he added, "so it appeared, yet it worked." So will our development, as it proceeds regularly, bring about situations and solutions which we do not foresee to-day; but, as my honourable friend who faces me (Hon. W. B. Ross) has said, each problem will be solved in due course.

In London very many questions were studied by the various Committees relating to trade, defence, migration, communication, research, forestry, and other economic subjects. These matters will all come up for consideration when the resolutions are laid before Parliament, and we shall have occasion to examine into their work.

The honourable gentleman from Lethbridge (Hon. Mr. Buchanan) spoke of immigration, and said that unfortunately we cannot have many immigrants of British stock. Some two months ago Colonel Dennis, representative of the Canadian Pacific Railway for Immigration, returning from a tour of Europe, said that he did not hope that we could draw to a very great extent from Great Britain, because of the conditions there. Yet I think that the instruction that is being given through farm schools in Great Britain will help to solve its unemployment problem. There are hundreds of thousands of men in England who should become good Canadian immigrants and good farmers. If instead of continuing the dole, Great Britain applied itself to giving one or two years' training in farming to the generation that has left school and grown up since the war, we could get a good proportion of them, and could well take care of them. I had a conversation with some of the Ministers of the Crown in London in March last, and they felt that they should join in giving training and education in rural matters to hundreds of thousands of their young men, that they should select those who would agree to go permanently on farms, and these men should be offered to Canada or to the other Dominions. I stated in London that we should be most happy to receive as many of those boys and young men as showed any inclination for farming. Of course more than a million men are dispersed in towns and cities, but surely the younger generation that is not yet twenty-five or twenty-six years of age should be redeemed from the slums of those large cities, made useful by suitable training, and sent over to Canada.

Allusion has been made to the present situation of our country. We all agree that matters are improving. An incident which took place in this Chamber will, I think, bring vividly to the minds of my honourable friends of the Senate how fast the wheel is turning. We all remember that in 1925 we felt that the situation was most involved and we should do something to find a solution for our railway deficits. We appointed a Committee; we heard men of substance in finance and in the railway field; and really there seemed to be despair in the faces of some of them. It was difficult for them to give us a clear solution; we were still groping in the dark. That was in May and June of last year. Here we are in December, 1926, and a robust optimism is now permeating the country. I think we are right in never losing our courage, or giving way to pessimism. Canada is a big country, rich in resources, with a hard-working population, as shown by its production in the field, the mines, the forest, the fisheries and in industry. I believe we have the admiration of the outside world, and yet we pass our time criticising each other and asking ourselves if there will be brighter days for Canada. I would point out that we have succeeded much faster than most countries of the world in re-establishing confidence in Canada, and with the help of Providence, good crops continuing, and the strong will of our people to go forward, our future is assured.

The motion for the Address was agreed to.

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

THE SENATE

Wednesday, December 15, 1926.

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

Prayers and routine proceedings.

APPROPRIATION BILL No. 1

FIRST READING

Bill 3, an Act for granting to His Majesty a certain sum of money for the public service of the financial year ending 31st March, 1927. —Hon. Mr. Dandurand.

SECOND READING

Hon. Mr. DANDURAND moved the second reading of the Bill.

He said: Honourable gentlemen, the Senate has already voted Supply for the first three months of the year ending 31st March next. Corresponding monthly sums have been used by the Government of the country under special warrants since the Supply voted by Parliament was exhausted. The Supply that is now asked of this Chamber covers the four remaining months, December, January, February and March. This Bill comes to us under very exceptional conditions. Two Governments have had occasion to move for the granting of this Supply. The Bill was introduced by the King Government, and it was moved to Committee by Sir Henry Drayton, about the 28th or 29th of June last. It has now been passed by the Commons.

With the leave of the House I move the second reading of the Bill.

Hon. Mr. ROBERTSON: May I ask my honourable friend a question? I understood him to say that the Bill before the House covered the amounts necessary for the carrying on of the work of the Government for the months of December to March next, inclusive. What about the intervening months during which the public expenditure necessary has been made under Governor General's warrants? Are they also included, and is that expenditure to be confirmed by Parliament?

Hon. Mr. DANDURAND: All I can say in answer to my honourable friend is that those special warrants were laid on the Table of the House of Commons. I do not know that they needed approval by that House. They were submitted as justification for the expenditure, pro tanto. The request which is made now covers the present quarter of the current year. I have not followed very closely the proceedings of the other House, and have failed to notice that any special resolution was passed to approve of that expenditure under special warrants.

Hon. Mr. ROBERTSON: My understanding was that Parliament was summoned particularly to pass the Estimates which, owing to dissolution, were not passed at last session, and to make provision for the public service to the end of the fiscal year; and I am somewhat surprised to hear my honourable friend say that this Supply Bill includes only the months of December to March next.

Hon. Mr. DANDURAND: His Excellency the Governor General took the place of Parliament during that interim. According to the Constitution, as Parliament was dissolved, the administration of the country proceeded under those special warrants.

Hon. Mr. ROBERTSON: That is quite true, but I was under the impression that the present Prime Minister made public announcement, when Parliament was summoned, that the reason for calling Parliament was to make provision for both these requirements—to sanction expenditures made since July last, and to vote supply for the rest of the fiscal year. I must have been mistaken.

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

THIRD READING

Hon. Mr. DANDURAND 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 of the Governor General, acquainting him that the Right Honourable F. A. Anglin, Acting as Deputy of the Governor General, would proceed to the Senate Chamber to-day at 3.15 p.m., for the purpose of giving the Royal Assent to a certain Bill.

ADJOURNMENT OF THE SENATE

Hon. Mr. DANDURAND: Honourable gentlemen, I would like to impart to the Senate an idea as to the adjournment which it is proposed the Senate should take. I understand that the House of Commons will adjourn to the 8th of February. Under ordinary circumstances we could take a somewhat longer adjournment, because of the longer time required by the other House to deal with measures; but I am informed that there is important legislation which will have to be dealt with by the Senate. It may not require a long attendance. I do not know what important work we shall have. However, I give notice of my intention to move that when the Senate adjourns this afternoon it do stand adjourned to Tuesday, the 15th of February. If at that time there is only work for a couple of days, honourable members living at a distance may be notified to that effect, but I am informed that on account of the important legislation to be submitted, we should not extend our adjournment beyond that date.

The Senate adjourned during pleasure.

THE ROYAL ASSENT

The Right Honourable F. A. Anglin, the Deputy of the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been

summoned, and being come with their Speaker, the Right Honourable the Deputy of the Governor General was pleased to give the Royal Assent to the following Bill:

An Act for granting to His Majesty a certain sum of money for the public service of the financial year ending the 31st March, 1927.

The House of Commons withdrew.

The Right Honourable the Deputy of the Governor General was pleased to retire.

The sitting was resumed.

DIVORCE COMMITTEE BUSINESS

DEPUTY CHAIRMAN

Hon. Mr. WILLOUGHBY moved concurrence in the 41st Report of the Standing Committee on Divorce.

He said: Honourable gentlemen, this is a new departure in the method of procedure of the Divorce Committee. At present we have no provision for any presiding officer other than a Chairman. From intimations given by the Clerk who has to do with divorce proceedings it is apparent that the number of applications this year will be at least equal to that of last year, when we had 185, and it is possible that this year the number may reach 200.

It is felt desirable to appoint a Deputy Chairman, and, in dealing with uncontested cases, to have two Committees sit concurrently. The election of a Deputy Chairman would perhaps relieve the members of the Committee, who give so freely and generously of their time, and perhaps also relieve the Chairman.

The Hon. the SPEAKER: Do I understand that the honourable gentleman wants to have this report adopted now, or to let it take the ordinary course?

Hon. Mr. WILLOUGHBY: Unless there be objection, I ask that it be adopted to-day, by unanimous consent, so that we may be ready to function when the House meets again.

The motion was agreed to.

DIVORCE PETITIONS

REPORTS OF COMMITTEES

Hon. Mr. WILLOUGHBY moved concurrence in the reports of the Standing Committee on Divorce, numbered 2 to 38.

He said: These reports deal simply with cases heard by the Committee last Session. A number of them were passed by Parliament and ready for the assent of the Governor General. The others only reached the Committee stage in the other House. In all these instances it has been necessary to petition again, under the practice adopted by the officials of the House in that connection. In each of these cases a new petition has been presented, and under the authority given by the resolution of this House the other day we again report the evidence as it was before.

I intend to introduce a Bill in the case of each of these petitions dealt with in the reports, and later I will ask that the Senate waive the rule and pass the Bills to-day.

I might add, as Chairman of the Committee, that in my opinion the Committee ought to meet as early as the date of reassembling of the Commons, that is, the 8th of February, so that by the time the Senate meets again we may have a number of reports in; otherwise the Order Paper would be cluttered up with the very large number of petitions we have already, as well as the additional ones that will have been presented by that time.

The motion was agreed to.

DIVORCE BILLS

FIRST, SECOND AND THIRD READINGS

Bill B, an Act for the relief of Alice Victoria McGibbon.—Hon. Mr. Willoughby.

Bill C, an Act for the relief of John Jones.—Hon. Mr. Willoughby.

Bill D, an Act for the relief of Samuel Paveling.—Hon. Mr. Willoughby.

Bill E, an Act for the relief of Benjamin Rapp.—Hon. Mr. Willoughby.

Bill F, an Act for the relief of Bernard Thomas Graham.—Hon. Mr. Willoughby.

Bill G, an Act for the relief of Robert Edward Greig.—Hon. Mr. Willoughby.

Bill H, an Act for the relief of Daisie Hawkey.—Hon. Mr. Willoughby.

Bill I, an Act for the relief of Olive Mary Mead.—Hon. Mr. Willoughby.

Bill J, an Act for the relief of Alice Elizabeth Blakely.—Hon. Mr. Willoughby.

Bill K, an Act for the relief of Ethel Maud Hargraft.—Hon. Mr. Willoughby.

Bill L, an Act for the relief of Frederic Vinet.—Hon. Mr. Willoughby.

Bill M, an Act for the relief of Gwendolen McLachlin.—Hon. Mr. Willoughby.

Bill N, an Act for the relief of Jessie Evis.—Hon. Mr. Willoughby.

Bill O, an Act for the relief of Max Gertler.—Hon. Mr. Willoughby.

Bill P, an Act for the relief of Florence May Hicks.—Hon. Mr. Willoughby.

Bill Q, an Act for the relief of Ruth May Harrington.—Hon. Mr. Willoughby.

Bill R, an Act for the relief of Edith Maude Bull.—Hon. Mr. Willoughby.

Bill S, an Act for the relief of Joseph Bernard Hoodless.—Hon. Mr. Willoughby.

Bill T, an Act for the relief of Edward Barker.—Hon. Mr. Willoughby.

Bill U, an Act for the relief of Joan Henderson.—Hon. Mr. Willoughby.

Bill V, an Act for the relief of Vina Kennedy (otherwise Vina Dorothy).—Hon. Mr. Willoughby.

Bill W, an Act for the relief of Aimée Glenholme Young.—Hon. Mr. Willoughby.

Bill X, an Act for the relief of Alberta Lutz.—Hon. Mr. Willoughby.

Bill Y, an Act for the relief of George Frederick Adams.—Hon. Mr. Willoughby.

Bill Z, an Act for the relief of Edward Saville.—Hon. Mr. Willoughby.

Bill A2, an Act for the relief of Robert Fisher.—Hon. Mr. Willoughby.

Bill B2, an Act for the relief of Dorothy Terry.—Hon. Mr. Willoughby.

Bill C2, an Act for the relief of Lillie May Brown Nichols.—Hon. Mr. Willoughby.

Bill D2, an Act for the relief of Hazel Pearle Clarke Pearcy.—Hon. Mr. Willoughby.

Bill E2, an Act for the relief of Edith Swartz.—Hon. Mr. Willoughby.

Bill F2, an Act for the relief of James Gibb Erskine.—Hon. Mr. Willoughby.

Bill G2, an Act for the relief of Ernest Johnson.—Hon. Mr. Willoughby.

Bill H2, an Act for the relief of Maxime Demers.—Hon. Mr. Willoughby.

Bill I2, an Act for the relief of Ethel Clementina Craig-Williams.—Hon. Mr. Willoughby.

Bill J2, an Act for the relief of Ida Lula Dupuis Murchison.—Hon. Mr. Willoughby.

Bill K2, an Act for the relief of Gladys Andrea Boyle.—Hon. Mr. Willoughby.

Bill L2, an Act for the relief of Leslie Ellis Noble.—Hon. Mr. Willoughby.

POSSESSION OF WEAPONS BILL

SECOND READING

Hon. Mr. BELCOURT moved the second reading of Bill A, an Act to amend certain provisions of the Criminal Code respecting the possession of weapons.

He said: Honourable gentlemen, this is a measure which received very serious consideration in both Houses last year. It stands in very much the same position as the Divorce Bills with which we have just dealt. The Bill is regularly on the Order Paper for to-day, and is exactly the same as that which was passed last year, but did not become law because, like many others, it failed to receive the Royal Assent. Although this Bill has not been printed, I think that under the circumstances it might be given the second reading.

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

REFERRED TO SPECIAL COMMITTEE

Hon. Mr. BELCOURT: I would move that the Bill be referred to the same Committee which dealt with it last year, and which was composed of Hon. Messieurs Barnard, Beaubien, Beique, Bureau, Dandurand, Girroir, Haydon, McMeans, Murphy, Pardee, Robinson, Ross (Middleton), Tanner, Willoughby, and myself.

Hon. Mr. McMEANS: I was going to suggest that as the Bill went through the Committees of the Senate and the House of Commons last year, we might dispense with the Committee stage altogether and pass it now. When we dealt with it before all the objectionable features were eliminated.

Hon. Mr. DANDURAND: Can the honourable gentleman tell us whether the Bill is now in the form in which it left the Senate last year, or in the amended form in which it was returned from the House of Commons?

Hon. Mr. BELCOURT: The Bill was the subject of considerable discussion in the Committee of the other House. It was reported by that Committee, and I am not sure whether it was read a third time. At all events, numerous amendments were made in the other House, and my impression is that they did not come back to us.

Hon. Mr. DANDURAND: So if we were to pass the Bill now we should be agreeing to the amendments made by the House of Commons?

Hon. Mr. BELCOURT: Yes.

Hon. Mr. GORDON: We have nothing to show what those amendments are.

Hon. Mr. DANIEL: I think it is much better that the Bill should be referred to the Special Committee. I do not see any particular urgency for rushing it through so quickly. I think it is better that it should take the ordinary course and go before the Committee. There will be plenty of time to pass it when we come back.

Hon. Mr. BELCOURT: My motion was to refer it to the Committee.

The motion was agreed to, and the Bill was referred to the Special Committee.

The Senate adjourned until Tuesday, February 15, 1927, at 8 p.m.

THE SENATE

Tuesday, February 15, 1927.

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

Prayers and routine proceedings.

NEW SENATORS INTRODUCED

The following newly-appointed Senators were severally introduced and took their seats:

Right Hon. George Perry Graham, of Brockville, Ontario, introduced by Hon. R. Dandurand and Hon. Charles Murphy.

Hon. William Henry McGuire, of Toronto, Ontario, introduced by Hon. R. Dandurand and Hon. Andrew Haydon.

Hon. Donat Raymond, of Montreal, Quebec, introduced by Hon. R. Dandurand and Hon. J. M. Wilson.

APPROPRIATION BILL No. 2

FIRST READING

Bill 46, an Act for granting to His Majesty certain sums of money for the public service of the financial years ending respectively the 31st March, 1926, and the 31st March, 1927.

SECOND READING

Hon. Mr. DANDURAND moved the second reading of the Bill.

He said: This Bill covers supplementary estimates for the years ending March 31, 1926, and March 31, 1927. The amount for the year ending in March last is $2,727,376.35; and for the current year, expiring on the 31st of March, the amount asked is $7,057,741.85. If there is no objection, I now move the second reading of this Bill.

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

THIRD READING

Hon. Mr. DANDURAND 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. 3

FIRST READING

Bill 58, an Act for granting to His Majesty a certain sum of money for the public service of the financial year ending the 31st March, 1927.

MOTION FOR SECOND READING

Hon. Mr. DANDURAND: Honourable gentlemen, this is a Bill which seeks a vote of $21,400,000 for the Canadian National Railways for the year terminating on March 31 next. If any explanation is asked by the Senate on this Bill, we might take the second reading to-morrow. If not, I will move the second reading now.

Hon. W. B. ROSS: Let it stand until to-morrow.

Hon. Mr. DANDURAND: With the leave of the Senate, I move that the second reading of this Bill be taken to-morrow.

The motion was agreed to.

DIVORCE PETITIONS

NEW PROCEDURE

Hon. Mr. WILLOUGHBY: I have the honour to present a list of applicants for divorce. We have arranged with the officers of the House and others concerned to simplify the method of procedure. Instead of presenting the petitions separately, which has become somewhat of a nuisance, we are now going to present several at one time. I think many Senators are glad of this alteration in the procedure, which is quite within the rules.

AGE LIMIT ON LIQUORS

MOTION FOR RETURN

Hon. Mr. MULHOLLAND moved:

That a humble address be presented praying

1. For a copy of all Orders in Council passed by the government during each of the years 1924, 1925 and 1926, withdrawing or releasing the two years age limit on liquors manufactured in the Dominion of Canada

2. Also for a statement showing the amount of liquors in stock at the different dates of said Orders in Council so passed, in each of the several distilleries, names and quantities of each in detail, also the amounts of excise duties paid on said liquors so released, and the quantities of said released liquors sold for beverage purposes and also for medicinal purposes, and for other purposes.

3. For a statement showing the law on imported liquors as to requirements of age for beverage purposes before being allowed entry for home consumption in Canada.

Hon. Mr. DANDURAND: I do not know what this motion will entail in the work which it will impose on the Department. If it called for a stack of documents a few feet high, I might ask the honourable gentleman to repair to the Customs Department and make a selection. Sometimes an order is made which entails a formidable amount of work on the part of employees engaged specially for the purpose, and we have in some cases avoided exceptional expenditure by having the member who has asked for certain in-

formation go directly to see the original documents and decide what he needs. However, I have no objection to the motion.

The motion was agreed to.

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

THE SENATE

Wednesday, February 16, 1927.

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

Prayers and routine proceedings.

DEATH OF HON. FREDERICK PARDEE

TRIBUTES TO HIS MEMORY

Hon. Mr. DANDURAND: Honourable gentlemen, since we separated in December last we have had the misfortune of losing one of our colleagues, the Hon. Mr. Pardee. He had been with us but a few years, though he had been in public life for half of his lifetime. He entered the Provincial House before he was thirty, and he continued to serve the public in the Ontario Legislature, the House of Commons, or the Senate of Canada.

I had not very close personal contact with the honourable gentleman until he reached this Chamber, but I knew of his good reputation and of his popularity in the House of Commons. He was genial and agreeable to all, and seemed to have the confidence of all his colleagues in the popular House. In his capacity of Chief Whip of a party he came in daily contact with the Whip on the other side. As we all know, matters of discipline and understandings of all kinds that must be arranged between the parties are not put down in writing; they are agreements made by word of mouth: and I have been told that Mr. Pardee could always be relied upon implicitly to carry out all his undertakings.

He left the House of Commons to come to the Senate, and here we observed in him those eminent qualities that had attracted towards him the electorate of his county. He was one of the brilliant sons of Ontario. As a lawyer of high standing he spoke before the courts and in Parliament always with reason and conviction. In his short career among us, while he did not speak often, he seemed always to have a thorough knowledge of the matters that he discussed in this Chamber or in Committee. I know that we appreciated his expression of opinion and often followed his advice.

When Senator Pardee left us in December none except perhaps his most intimate friends suspected that he was in danger. He went recently to the South, and news came back almost immediately of his sudden demise. A colleague of his who attended his funeral at Sarnia tells me that at the funeral service in the church it was a touching sight to see hundreds of people with their handkerchiefs to their eyes. This shows how well beloved was Senator Pardee in the neighbourhood in which he lived; and those lovable qualities which distinguished him at home we found here also.

A good colleague, sincere, loyal and true, has departed; and in your name I desire to extend to his family the sympathies of the Senate.

Hon. W. B. ROSS: Honourable gentlemen, when members of this House pass away who have attained to the full period of years which mortal man can possibly expect—even then we regret their departure; but when a man is stricken down in the prime of his manhood, almost without any suspicion on the part of his confreres that he was in danger of death, there is an added note of sadness. That is true of Senator Pardee. He was about sixty years of age.

He entered the Senate in 1922, and I doubt if any man ever entered it better qualified in every way for the proper and able discharge of his duties as a member of this House. Senator Pardee was well educated. He was well read; he had wide experience at the Bar, in business, and in the Ontario Legislature, as well as in the House of Commons. He had been Government Whip in the Commons from 1909 till 1911, while the Liberal Government was in power, and Opposition Whip from 1911 till 1920. When, two years later, he entered the Senate, not only had he achieved success in public life, but he possessed attractive qualities both natural and acquired. Among these was a manner that was pleasing to everyone on either side of the House. At once he took a leading place in the Senate. He was Chairman of two special committees, both of which had difficult work to do, and it was a matter of comment on the part of all the members of those Committees that Senator Pardee did his work as Chairman very well indeed. Besides that, he has been on every one of the special committees that we have had in this House from time to time, and has always been one of the leading members.

The announcement of his death was a great shock to me, because before the adjournment I had had a conversation with

Senator Pardee in which he was planning to take an even more active part in one of the chief committees of the House.

Suddenly to hear, without a word of warning, that he had left us, was a shock, not only to myself, but also, I am sure, to all the members of this House. I think it is a modest and fair statement to make that the Senate has suffered a great loss, and the country has too, in the death of Senator Pardee, and I desire to join with the honourable gentleman opposite in extending to his family and friends the sympathy of this House.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, it has been the practice in this Chamber to leave to the honourable leader on each side of the House the kindly office of expressing our appreciation of those members of the Senate who, from time to time, have passed away. I would not intrude myself at this time except for one consideration, that for a long series of years, in another place, I was associated as a colleague in Parliament with the honourable member of the Senate who has left us. I associate myself with all that has been said of him by the two leaders of this House. Mr. Pardee won the affections of both parties, and of all members, I think, on either side of the popular Chamber. He was eminently fair and in all his dealings inspired confidence. As has been stated by the honourable leader of the Opposition (Hon. Mr. Ross), our regret is all the deeper when a man who seems to have a large part of his lifetime yet to give to the service of his country is suddenly called away. It is a great loss to thousands of individuals. Not only is his loss felt in the locality in which he lived and moved, and in which he was such a beneficent influence, but it is a matter of deep regret that the country has been suddenly deprived of services which have been so valuable and useful. Pity it is that it is so. I desired just to add my personal agreement with everything that has been said with reference to our departed friend. I think we all feel that his loss is a real loss to us in this Chamber, not only in the matter of public business, but personally and individually.

GRAND TRUNK PACIFIC SECURITIES BILL

FIRST READING

Bill 57, an Act respecting the Grand Trunk Pacific Railway Company and respecting the Canadian National Railways.—Hon. Mr. Dandurand.

SECOND READING

Hon. Mr. DANDURAND moved the second reading of the Bill.

He said: Honourable gentlemen, with the leave of the Senate, I move the second reading of this Bill now. It is a measure to confirm a scheme of arrangement dated the 26th of August, 1926, with the holders of four per cent debenture stock of the Grand Trunk Pacific Railway, whereby the Canadian National Railways may create and issue new stock in exchange for certificates registered in the name of holders of a like amount, or the like aggregate amount, as the case may require.

The amount outstanding is £7,176,801 par value. It is a perpetual debenture stock of the Grand Trunk Pacific Railway, guaranteed by the Grand Trunk Railway Company on surplus profits of the Grand Trunk after their fixed charges are met.

This agreement liquidates a very involved situation. The Grand Trunk Pacific Railway Company is at present under receivership, and, as the principal debtor, it would need to be sold if the obligation had to be met. As the Grand Trunk Railway Company was and is a guarantor, a special account of the old Grand Trunk has had to be kept separately, inasmuch as these debenture holders were entitled to the surplus earnings. The present arrangement cleans up this whole matter.

No interest has been paid upon those debentures for the last six or seven years. The interest is still payable, and it is still accumulating against the Grand Trunk Pacific Railway, but not against the Grand Trunk, the guarantor. The amount that is at present due by the Grand Trunk Pacific Railway on interest is in the neighbourhood of $9,000,000. By virtue of the arrangement which has been arrived at, this interest is wiped out.

The consideration for the cancellation of the interest lies in the fact that the new debentures to be issued will give the holders of the present perpetual debenture stock an interest of two per cent. The date at which interest could be paid by the surplus earnings of the Grand Trunk system is an unknown factor. The holders have been without any interest for the last seven years, and they agree to take, from now on, a small return in interest, namely two per cent upon their holdings; but they will have the advantage of being assured of their capital. Two per cent will be set aside yearly for amortization purposes, and this will wipe out the whole debt in thirty-two years.

After a period of ten years by drawings, the stock may be redeemed at 100 cents on

the dollar. There will be occasional drawings to dispose of the fund created by the two per cent reserve, and the holders—the fortunate people—will be paid 100 cents on the dollar.

Hon. W. B. ROSS: That is, after ten years.

Hon. Mr. DANDURAND: The drawings will begin after ten years?

Hon. W. B. ROSS: No; that is the drawings at par.

Hon. Mr. DANDURAND: Yes.

Hon. Mr. ROSS: But during the first ten years there may be drawings at as low as 60 per cent.

Hon. Mr. DANDURAND: Under the scheme there may be drawings even before the expiration of ten years.

Hon. Mr. ROSS: Yes, as low as 60 per cent; from 60 to 100.

Hon. Mr. DANDURAND: But people may not agree to participate in such a drawing and may prefer to wait in order to obtain 100 cents on the dollar.

I believe that I have thoroughly outlined the scheme which it is proposed to substitute for the situation that has existed up to this date. There was a perpetual 4 per cent debenture. Now the Dominion puts an end to that debenture by being given the right to withdraw it in 32 years. It is true that 4 per cent interest is paid on the amount for 32 years, but that terminates the whole matter. I believe this arrangement was sanctioned by the late Government in August last; it has received the ratification of the present Government, and it has unanimously passed the other Chamber. For this reason I suggest that we now take the second reading of the Bill.

Hon. W. B. ROSS: Honourable gentlemen, before we take the second reading of this Bill, I would like to say just one or two things about it. I happen to have a fairly accurate knowledge of the whole circumstances of the acquisition of the Grand Trunk by the Conservative Government; I know what the perpetual debentures of the Grand Trunk Pacific are; and what I am a little jealous about is Canada's reputation. Again and again there have been insinuations made in the Old Country, in London, that Canada was not doing the fair thing by the holders of the bonds. I wish absolutely and entirely to repudiate that insinuation, and, further, to put on record the fact that, so far as I am concerned, if I had the slightest notion that in agreeing to this contract we were in any way weakening as to our position having been perfectly straightforward and honest, I would not agree to this contract at all. It must be understood, so far as I am concerned, that when I agree to this it is simply as an entirely new business contract between this Government and the holders of these securities. They had no right to complain. At the time the contract went through, they were represented here not only by counsel, men learned in the law, but also by engineers and financial advisers, and they knew exactly where they stood.

These perpetual debentures were issued by the Grand Trunk Pacific and were guaranteed by the old Grand Trunk Railway Company, with the proviso that the interest on these bonds of the Grand Trunk Pacific was not to be a charge on the Grand Trunk proper until the outstanding securities of the old Grand Trunk were provided for. The only payment that the old Grand Trunk ever made on the securities was made in 1915; and at that time there was a good deal of talk as to whether or not the Grand Trunk was really justified in making that payment. The only year in which the Government of Canada were able to pay that interest was 1923. There seemed to have been a spurt of business on what were called the Grand Trunk western lines, in connection with the business of Ford and other men engaged in the making of automobiles.

Then we had all kinds of propaganda going on in London, and it was stated that Canada should have come forward and paid 4 per cent on the bonds. But Canada never agreed to do anything of the kind; and the old Grand Trunk itself never agreed to do anything of the kind. That being so, the conduct of the successive governments who dealt with the matter—I am not saying anything now about the wisdom of taking over the Grand Trunk at all—has been perfectly proper, and I protest against any imputations by men in London as to the good faith of those governments of Canada.

That is all I have to say with regard to that phase of the question. I think it should be distinctly understood, and it should be so expressed, that we are making no concession at all in this; that it is a brand new bargain, and that it is an open question, a guess, whether we make money or whether we lose money. If the Grand Trunk proper is very successful and has big earnings, probably Canada will make a little money. Even then, I do not think the people in London will lose anything by this bargain. They stand to win just as much as the Government of Canada. They are getting a security that

can be turned into cash at the present time, and they take their chances of losing a little or gaining a great deal.

There is just one other thing I should like to say. I should like to know, if the honourable gentleman can tell me, whether this is the final demand on the part of these people, or whether there is a sort of Oliver Twist situation—whether they are going to ask for more. Are we going to have an organization of the common stock holders one of these days? I think we ought to know something about that in making a contract of this kind.

Hon. Mr. CASGRAIN: May I ask the honourable gentleman, not only as a Senator, but as a lawyer, do we owe this money or do we not?

Hon. W. B. ROSS: The situation is a very simple one. There is a perpetual 4 per cent debenture outstanding on the Grand Trunk Pacific, which is guaranteed by the Grand Trunk. We acquired the Grand Trunk, and we are liable only where the Grand Trunk would be liable—that is, to pay interest on these perpetual debentures providing we earn it.

Hon. Mr. DANDURAND: After the fixed charges are paid.

Hon. W. B. ROSS: The operating expenses and the fixed charges. There has been some controversy in regard to that. It is not a question of good faith or bad faith, but one between accountants. We have no concern beyond that. If we get the money we are to pay.

Right Hon. GEORGE P. GRAHAM: Honourable gentlemen, as this is a matter in which I have taken some interest and had some part, perhaps I may be permitted, as a new member, to say a word.

I agree in large measure with what the honourable gentleman (Hon. W. B. Ross) has said. With other members of the Government I heard the claims of the Grand Trunk Pacific 4 per cent debenture stockholders on several occasions, and invariably we took the ground that they could not be in any worse position than they occupied before the Government took over the Grand Trunk, as in taking it over we assumed the liabilities.

On one or two occasions they raised this point—and in referring to it I do not think I am giving away any secret—that in the taking over of the Grand Trunk, certain securities were made senior to theirs which in their humble judgment should have been junior. Of course the Government never admitted that contention. If it were correct, one could see the reason for the attitude assumed by the debenture holders, because the Grand Trunk would have to earn more money than it otherwise would, before it received sufficient to pay their interest. In London, on one or two occasions, this matter was brought to the attention of the then Prime Minister, the Minister of Justice, and myself, by representatives of the debenture stockholders. We took the view very strongly that there was no legal liability, and I am inclined to think that the debenture stockholders themselves believed that.

But certain conditions existing in Canada continued to make it very difficult for the Canadian National economically and successfully to manage this business. On the one hand there was the Grand Trunk, in which an accounting had to be made regularly and accurately with one point in view, namely, whether, under the earnings of the Grand Trunk, the debenture holders were entitled to payment. On the other hand, a separate accounting had to be kept by the receiver of the Grand Trunk Pacific to see whether that company was earning sufficient to pay any of the interest on the securities.

Last summer I was over in England on private business, or pleasure, and without any official right, and quite unofficially, I consented to have a chat with at least one member of the committee that was appointed to discuss this matter. That committee was headed by the Right Hon. Reginald McKenna, who is perhaps one of the leading bankers in London. He assured me that the committee was not appointed for the purpose of acting for the debenture holders, but, being aware of the relationship that existed between Canada and the Motherland, he and his colleagues were anxious to see if, for the benefit of all concerned, some arrangement could not be made by which this debenture stock could be retired. This would relieve the tension which existed and remove some of the difficulties, the least of which was not that of the management of the Canadian National in having to do all this accounting and being subject to audits, and that kind of thing. I had no authority to talk with him at all. We simply chatted as men. I was impressed with his sincerity in trying to find a way out for everybody, if it could possibly be found; and, while I would not want the House to think I took part in the negotiations—far from it—I was impressed very much by the suggestions put forward on both sides for the settlement of this difficult situation.

I think it is true that the Grand Trunk Pacific Company did pay a dividend on the

securities; but that dividend was paid out of money advanced by the Government. It was intended for operation, and not for the payment of a dividend. To that extent the debenture holders were led astray, believing the Grand Trunk Pacific was earning interest on its securities. Later, in 1923 or 1924, the Grand Trunk earnings were sufficient to pay a certain amount of interest on the securities, but there was a question as to the liability of the Grand Trunk, and the situation was quite mixed up and muddled.

This arrangement is to clear up the whole situation in justice to every person. As the honourable gentleman who has spoken (Hon. W. B. Ross) pointed out, 2 per cent will go to sinking fund. In short, it is expected that the amount accumulated will be sufficient to wipe out the liability in thirty-two years. Canadian National securities, guaranteed by the Government—and therefore gilt-edged—will be exchanged for the Grand Trunk Pacific securities, so there can be no complaint on behalf of the security holders that they have not been fairly treated. On the other hand, it is fair to our own great enterprise that it should be given every opportunity to make the best possible showing. After all, it is our property. Knowing considerable about its inception, I am strongly of the view that the House would be warranted in approving of this settlement.

Hon. Mr. CASGRAIN: How much money shall we have to pay? How much is this generosity going to cost the country? The honourable gentleman said that legally the bondholders had no claim.

Hon. Mr. DANDURAND: I have told the honourable gentleman that it is not a question of a debt; it is a question of fact. There is stock to the amount of over £7,000,000.

Hon. Mr. CASGRAIN: Do we have to pay that?

Hon. Mr. DANDURAND: It is £7,176,801. I would point out that we are to pay 4 per cent interest for 32 years, and that will wipe out the capital.

Right Hon. Mr. GRAHAM: You retire the bond issue then.

Hon. Mr. DANDURAND: Yes.

Hon. Mr. BEAUBIEN: In order that this matter may be made clear to my mind, I would ask whether all the debenture stock is cumulative, or not?

Right Hon. Mr. GRAHAM: Against the Grand Trunk Pacific it is cumulative; and against the Grand Trunk it is contingently cumulative.

Hon. Mr. BEAUBIEN: In other words, this security that the debenture holder had was nothing but a contingent security? They would get their interest so long as the Grand Trunk Pacific earned it over and above the indebtedness on securities as then issued by the Grand Trunk?

Hon. W. B. ROSS: But if the Grand Trunk Railway Company did not earn interest for one year on those bonds, that could not be added to the interest against it the next year.

Hon. Mr. DANDURAND: The cumulative feature was against the Grand Trunk Pacific Company alone?

Hon. W. B. ROSS: Yes, that is right.

Hon. Mr. BEAUBIEN: The position in which we stand to-day, if I understand rightly, is that we owe nothing to these people except in case the revenue is more than sufficient to pay priority liens against the Grand Trunk Railway Company and leaves something over for them; and that was to be the position practically for all time to come. Is that right?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. BEAUBIEN: Then the situation is very clear. We are to pay these people 4 per cent a year on these securities, part of which interest goes then to pay the capital of those bonds. In other words, we have assumed the debt completely, although of course the interest has been reduced. Before this arrangement, Canada did not owe $35,000,000 to those people at all; we had absolutely no obligation to pay them; but just as soon as this Bill is passed we owe these people $35,000,000, to be paid out of revenue. In other words, we assume $35,000,000 of debt, but we ask a long time to pay it. Then do I understand my honourable friend to say that the bonds to be issued will have this feature, that in a certain time the bondholders may benefit by a drawing by lot?

Hon. W. B. ROSS: Yes. There are two stages; one in the first ten years, and another after ten years.

Hon. Mr. BEAUBIEN: Therefore after the first ten years you are going to institute—

Hon. W. B. ROSS: You redeem at par after the first ten years; before that at not less than 60 per cent.

Hon. Mr. BEAUBIEN: But you redeem it only for the people who are fortunate enough to draw good numbers. That is exactly on a par with the bond issue made by the city of Paris. It has been discountenanced by no less an authority than the Criminal Code

of Canada for years. Such bonds have been banished; and I am personally aware that people have been arrested for selling them in Canada. One case, I understand, created quite an impression in the West last year, and is, I think, still pending before the Court of Appeal. Yet the city of Paris did nothing worse than Canada is going to do now. They said: "We want to borrow a large amount of money. We are going to pay 5 per cent on that amount. Three per cent will be paid regularly on the bond, and 2 per cent will be set aside to create a fund, and every year that fund will be exhausted by the drawing of lots. Any man drawing a good number gets his bond redeemed in full—100 cents on the dollar." Because that feature was attached to those Paris bonds, they were frowned down upon, and were prohibited from entering Canada. Now, is not this exactly the same method as has been used in France with Panama and city of Paris bonds? If there is a distinction I would like to know it, because then I would vote for a measure like this with a great deal of contrition.

Hon. W. B. ROSS: That is the way the twelfth apostle was chosen.

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

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on the Bill.

Hon. Mr. Robinson in the Chair.

Section 1 was agreed to.

On section 2—scheme of arrangement with holders of four per cent Debenture Stock of Grand Trunk Pacific Railway Company, confirmed:

Hon. Mr. BEAUBIEN: Mr. Chairman, there are no copies of the Bill available. The honourable leader of the House has been good enough to put this draft in my hand at this moment. Should we not await the coming up of the Bill?

Hon. Mr. DANDURAND: The Senate has met at this stage to sanction this arrangement, and the Deputy Governor General will come and give the Royal Assent. It is a money Bill, which we cannot amend, and I would suggest that we pass it. We could have given it the third reading without going into Committee.

Hon. Mr. BEAUBIEN: May I ask my honourable friend whether he is quite sure that we could not amend it?

Hon. Mr. DANDURAND: No, we could not.

Hon. Mr. BEAUBIEN: I remember one measure like that which had a very short shrift. The C.N.R. branch lines involved a very large amount, which we cut down very promptly and very properly.

Hon. Mr. DANDURAND: But the Bill is based upon an arrangement. It is an enabling Bill, to enable the Government to ratify a contract. We are now practically declaring that we adhere to the proposed scheme of arrangement, by which debenture stock issued under certain conditions is being withdrawn, and replaced by the stock that we have described. Either we agree with the principle or we do not. I think we agree with it, because we have passed the second reading. Then this consideration in Committee is simply for the purpose of adopting enabling clauses which will authorize the Government to sign that contract.

Hon. Mr. BEAUBIEN: Well, we are certainly placed in a very strange position. I am not going to take upon myself the responsibility of blocking this measure. I know there are very serious reasons for it, but I think the truth might just as well be told. The serious reason is that the interest upon those bonds has not been paid regularly, and there has been a very insidious campaign conducted all through the British Isles against Canada. We want now to silence those people who have slandered Canada, and we are going to pay them $35,000,000 to cease slandering Canada. That is the position, as I see it very clearly. They have no right to claim that from Canada, and it is a very large amount to pay, and it would be a very bad example to give that money to people who hold securities upon which they have absolutely no right to make a claim. But they slander Canada, they blackmail Canada, with the result that we cough up to the extent of $35,000,000. That is the position. Now, have we, or have we not, power to deal with this measure? Can we, or can we not, say that we are not going to pay $35,000,000 to prevent those people from slandering Canada? If we have the right to do that, and I think we have, we should have the right to vote against this measure, and say we will not pay it.

Hon. Mr. DANDURAND: But will my honourable friend allow me? I do not admit his premise at all; his premise is false; it is not the primary reason, nor even the secondary or the third reason why the Government of Canada is justified in entering into this contract. My honourable friend has seen a campaign carried on in the London papers, but I may tell him that the men most closely

in touch with the real situation, after a serious study of the financial responsibility of this country, think that this is a fair contract for Canada.

Hon. Mr. BEAUBIEN: Then I would like to learn where, in the arrangements that have been made, Canada is made responsible for the capital of those bonds?

Hon. Mr. DANDURAND: Canada is not responsible for a cent or a penny till the Grand Trunk Railway Company has earned a sufficient surplus, after paying its operating expenses and its fixed charges, to meet that obligation. The question is, when will that hour strike?

Hon. Mr. BEAUBIEN: But my honourable friend has not answered my question. I asked him where is the agreement by which Canada is obliged to pay one cent of the capital, and he answers that we may be obliged when the time comes to pay a certain amount on the interest. I am not talking of the interest at all.

Hon. Mr. DANDURAND: It is a perpetual stock.

Hon. Mr. BEAUBIEN: Just a second. This is just the question that is submitted to us: are we, or are we not, going to assume the obligation to pay $35,000,000 in capital?

Hon. Mr. DANDURAND: But will my honourable friend not admit that if we start earning 4 per cent on that stock, and paying the 4 per cent on that stock out of the surpluses of the Grand Trunk Railway Company, we are then assuming to pay 4 per cent interest perpetually on that capital, and accepting as a live debt of our own the amount represented by the 4 per cent we pay?

Hon. Mr. BEAUBIEN: No, because we pay nothing but a share of the profits. If and when the profits attain a certain amount, then we have to hand over a proportion of the profits, but we have never been, and we are not yet, held to be liable for the payment of one cent of that capital. The Government is coming to us when we are not liable for one cent, when there is no engagement, and none can be shown, and is asking us whether we are going to put our seal on this arrangement. Are we going to sign an obligation to these bondholders to the tune of $35,000,000? That is the position, and it is a very serious matter.

Hon. Mr. DANDURAND: I would draw the attention of my honourable friend to this situation, that we start with 4 per cent. We were to pay perpetually 4 per cent, but under this agreement the obligation will be wipe out in thirty-two years by the sinking fund created.

Hon. Mr. BEAUBIEN: That is all true, but all the prior obligations and loans will carry interest, and we hand over only the surplus when it exists, and to the extent to which it exists. That is not a very heavy obligation. But this Bill asks us to assume a very heavy obligation for the country. We are not rich enough for that. We are still obliged to tax ourselves very heavily, and the difference in taxation between this country and the United States is every day becoming harder to bear; and when there is no obligation to pay—or if there is, I would like to know it—the Government comes and hands us this document. Will we sign? It does not take much time to sign, but once signed it is there for us and our children and grandchildren. Will we do it when we are not obliged to? It is a very serious matter, leaving aside the feature of the lottery bond—to which, for my part, I do not attach much importance. The question is a very solemn one: will we obligate this country to the tune of $35,000,000?

Hon. Mr. DANDURAND: What will be the answer of my honourable friend?

Hon. Mr. BEAUBIEN: I would certainly be disposed, unless further explanation were given, to vote against it.

Hon. Mr. DANDURAND: Well, I move the adoption of the section.

Hon. Mr. J. D. REID: I would like to say a few words on this matter. I think there are two or three points that are being overlooked. One point is that part of the great Canadian National Railway System to-day, that is the Grand Trunk Pacific, is run by a liquidator, and we cannot get away from the liquidator until this claim has been disposed of. We must deal with it either by a settlement with the bondholders, or else sell the road out, and buy it in, and thus wipe out this claim. That is the way I understand the matter. I understand that if the old Grand Trunk Railway Company earned sufficient income they must pay the interest on this debenture stock. From the reports that I read in the newspapers about the earnings of the Canadian National Railway system, and particularly that part which was the Grand Trunk Railway, it does strike me that within the next thirty years the earnings will be such that we shall have to pay the interest in any case.

There is another point. The impression given by what has been said is that we are

paying to these bond holders $35,000,000. As I understand the matter, we are not paying any money, but we are going to pay 4 per cent. I have the Bill before me, but have not had time to analyze it. As I understand from the presentation of the matter to this House by the honourable leader of the Government, the bondholders themselves are going to pay off the $35,000,000. With 2 per cent of the 4 they will establish a sinking fund which will pay off the $35,000,000 at the end of thirty and some odd years. So the liability that the country assumes and must pay is really 2 per cent on the $35,000,000. Now, as I have said, I am firmly of the opinion that the earnings of the Grand Trunk Railway, or the Canadian National Railway System, will be such that they would be compelled to pay, if not all, at least a great portion of that amount anyway. For these reasons we should hesitate about rejecting this Bill.

There is another point. While the Grand Trunk Railway Company obtained the charter and built the Grand Trunk Pacific Railway, yet every dollar that went into the building of that road, or practically all the money, was money that was paid or guaranteed by the Government of Canada, and it does strike me that if we should be obliged to foreclose in order to get a good title to the Grand Trunk Pacific, and also the Grand Trunk Railway, it is much better to make some arrangement with the bondholders. Knowing these facts, and believing this to be the situation, I would hesitate about rejecting the present arrangement.

Hon. Mr. BEAUBIEN: I would like to ask one question of the honourable gentleman who has just taken his seat. He says that the bondholders are going to pay the capital out of the 4 per cent they are to receive, and that Canada is not going to give anything at all. But where will they get the 4 per cent if not from Canada? Secondly, is Canada now bound to pay 4 per cent?

Hon. Mr. REID: The impression left on my mind was this: we should have to pay 4 per cent for about thirty years and then pay the $35,000,000. Now I say that 2 per cent goes to pay the $35,000,000. Furthermore, I have so much faith in the future of the Canadian National Railways and the Grand Trunk, that I cannot bring myself to believe that they are not going to earn enough to pay the interest. Remember, 4 per cent interest on $35,000,000 is about $1,400,000 per annum, and that interest is paid for thirty years. Does not the honourable member believe in the future of the railway system? Does he not think that the earnings will be such that the railways will be able to pay something on this account? They did pay something a few years ago. Times are better now. The revenues of the railways are increasing, and if they continue to increase we should have to pay anyway. And are you ready to have liquidation in order to get a good title to the Grand Trunk? That is the position.

Hon. Mr. BEAUBIEN: My honourable friend is much better informed than I am on the railway situation, and especially the earning power of the Grand Trunk—its ability to earn sufficient to meet the interest on the underlying securities, and then on this security which we are discussing. Looking forward ten, twenty, thirty, perhaps fifty years, is the honourable gentleman ready to say that in his opinion the Grand Trunk is able to make those payments? Of course, if we have a valuable property, which is capable of paying all the interest on all these securities and of giving us, besides, a handsome yearly income, we are right in doing what is proposed; but I do not understand that to be the case at all.

Hon. Mr. REID: I may answer the honourable gentleman in this way. I have sufficient confidence in the Grand Trunk Railway portion of the Canadian National Railway System to believe that that portion will earn a dividend and pay interest on all its liabilities, even on this stock. The honourable gentleman knows that the old Grand Trunk system paid a dividend on all its stocks—on all its perpetual debenture stock, and its first, second, third and fourth preference. It paid a dividend until the war came on. Prior to that time it never failed to pay a dividend. The railways are doing as well and better now, and, with the addition of these other parts of the system, which are bringing freight to the old Grand Trunk—that portion of the system which is liable for this interest—I have faith that it will pay dividends in the future as it has done in the past. If the whole Canadian National Railway system were responsible for this 4 per cent, the case might be different, but, remember, it is only the Grand Trunk from Chicago to Montreal and Portland that is responsible for this interest; and I believe the Grand Trunk would earn sufficient to be compelled to pay it. For these reasons I think we should pass the Bill.

Hon. F. L. BEIQUE: As I understand the question, it comes to this. The Government has taken over two systems of railway, the Grand Trunk Pacific and the Grand Trunk. Those two systems are bound to keep a special account of their earnings. If there is a surplus of earnings sufficient to justify the payment of the interest on this debenture stock

out of the Grand Trunk Pacific, the interest must be paid. It is very unlikely that there will be. One means of getting rid of that obligation would be to liquidate the Grand Trunk Pacific. But there is another liability: a separate account must be kept of the old Grand Trunk, which has been merged as part of the Canadian National Railways, so as to ascertain if there is a surplus after payment of the interest on their own bond. If there is, then it must go to pay the interest on those debentures. The Canadian National Railways have to keep accounts to show what is the result of the operations of the Grand Trunk Pacific, and what is the result of the operations of the old Grand Trunk. These are the reasons, I understand, why the Government deemed it advisable to consider whether there was a means of getting rid of these contingent liabilities and avoiding the necessity of keeping these complicated accounts.

In determining whether or not the amount is fair, which the Canadian National Railways, guaranteed by the Government, are undertaking to pay, one would have to know whether the future receipts from the old Grand Trunk will be sufficient to discharge the liability; for I think it is taken for granted that there will be no interest coming from the Grand Trunk Pacific. For my part I have no means of solving that question; I must accept the decision of the Government. I assume that a study has been made of conditions, and that a conclusion must have been reached that it is a fair bargain to make.

But the question arises as to what obligation is being assumed. The amount of the debentures being $35,000,000, the interest to be paid annually for 32 years is $1,400,000; therefore, we would have to ascertain what capital is represented by the payment of $1,400,000 per anuum for 32 years.

I appreciate the two reasons the Government have for getting rid of this obligation. What I dislike mainly is the fact that this Bill comes forward after an agitation on the part of the debenture holders in England, which to my mind was very unfair. They had voluntarily agreed to arbitration, and after the award was rendered they complained and tried to coerce the Canadian Government to assume a liability which the Government had no obligation to accept.

Hon. W. B. ROSS: Honourable gentlemen, the question whether or not this is a good bargain is a problem that no one can solve now. If the earnings of the Grand Trunk proper are very large in the future, then we gain by it; on the other hand, if they run down to nothing at all, we lose by it. It is a gamble. I am not disposed to vote against this Bill, but I want to accentuate again the fact that this is a new bargain; that it does not grow out of anything wrong in the old bargain—anything in the way of over-reaching on the one hand, or being over-reached on the other. A number of business men get together and say: "Here is the situation, and here is the proposition. It will be an advantage to the holders of the Grand Trunk perpetual debentures if you can get that security into such form that it will have a ready money value in the market." It is important to bear in mind that we are not conceding that there was anything wrong on our part at all. The bargain now being made is based on the present situation.

There is this further feature. The old Grand Trunk comprised I do not know how many institutions; whether there were twenty or thirty the honourable member from Brockville (Rt. Hon. Mr. Graham) knows better than I do; and it is important that we should not give the bondholders connected with those old institutions any grounds for coming forward with a claim based upon any supposed concession to the Grand Trunk Pacific. If any of those people turn up with a demand, they will have to be told that it must be made on a purely business basis—

Hon. Mr. DANDURAND: Absolutely.

Hon. W. B. ROSS: —and that there is no liability admitted in this legislation. We are making a new bargain.

Hon. Mr. BEAUBIEN: I am glad I have not the responsibility of my honourable friend (Hon. W. B. Ross). He is leading this side of the House. The honourable gentleman sitting opposite (Hon. Mr. Béique) has pleaded for the Bill with all the skill and knowledge which everybody knows he possesses. But what is his argument? "We must simplify the bookkeeping." That is his plea. There is now an absolute necessity for keeping separately the earnings of the Grand Trunk and the Grand Trunk Pacific. We must get rid of that obligation. But how much have we to pay to simplify this bookkeeping? We are going to pay $1,400,000 a year for 32 years, which, without interest, amounts to $44,800,000; and, as everybody knows, with interest that sum will be practically doubled. All of this huge sum will be paid. That is to simplify the bookkeeping of two different roads. Every railway can tell you at the end of every year how much it has earned and how much it has spent on every one of its lines. We know that the Canadian Pacific Railway, for instance, is

well aware of the amount of the net earnings of each of its lines. What becomes, then, of the argument as to simplifying the bookkeeping? To my mind this difficulty does not exist.

The real question is whether we are making a good bargain or not? I am going to answer that in this way. If we are making a bad bargain we are not justified in doing so, and we are not obliged to assume this obligation.

Hon. Mr. SCHAFFNER: Then do not assume it.

Hon. Mr. BEAUBIEN: There is nothing in law or in equity that constrains us to do so. Suppose we are about to make a good bargain. What then? My answer is that we have no right to make it. We have been dealing with these people in good faith. They have put $35,000,000 into the Grand Trunk Pacific. What right have we to say that we will cut that in two or perhaps in three? If we are going to do such good business that we can afford to pay full interest, it is our duty to pay it.

Hon. G. G. FOSTER: Honourable gentlemen, I do not intend at this stage of the Bill to ask the House to listen to any lengthy remarks with regard to it, but I am going to suggest to the honourable Leader of the Government that he allow this matter to stand until to-morrow; also that before this Bill comes up for consideration again the members of the Senate be furnished with copies of it. I have not had a copy, and I am told that it has not been distributed to the members of the Senate.

I did not realize until to-day the serious character of this legislation, but from the explanation of it as put before this House by the honourable Leader of the Government, I believe it is simply an outrage on the people of this country.

I do not go so far as to say that we are not wise in doing something to make people think well of us, if we can do it in a decent way. I do not say we should not pay something for peace in England, as might appear desirable; but what I do say is that to ask us to assume the obligations that the Government put before us to-day, in the form in which they are now, without members of this House having an opportunity to study the Bill and become familiar with its details, is unfair and unjust to the members of the Senate and to the people of Canada. The suggestion has been made that the people of Canada ought to be prepared to make some sacrifice, or give some explanation as to why the English bondholders cannot get one hundred cents on the dollar. Those creditors put their money into the Grand Trunk Pacific in the same way that many others have put their money into other unsuccessful enterprises all over the world, and have lost. There was a guarantee, not that the people of Canada would pay, but that the Grand Trunk Pacific would do so; and in case of default, the Grand Trunk proper, after meeting their other obligations, were to pay as and when their earnings were sufficient, not with the money of the people of Canada, but out of the coffers of the company.

I think it is only fair that we should have time to study this question, and I move that the Committee rise and report progress, and ask leave to sit again.

Hon. Mr. DANDURAND: Of course, honourable gentlemen, this matter has been studied from all angles by the officials of the Canadian National Railways and by the officers of the Canadian Government. It has been before every Administration for the last seven or eight years, and the decision arrived at is now embodied in this Bill.

I really believe that any member of the Senate can quite easily see the elements that go to form the decision arrived at in August last. The men at the centre of operations of our railway system have brought to the members of the various Cabinets their best information, and have taken it upon themselves to suggest this agreement; and the present Administration has seen the matter in the same light as its predecessors.

I have no objection whatever to postponing the examination of this Bill till to-morrow. I hope that by that time copies of the Bill will be distributed. But I would ask the honourable gentleman who has just spoken (Hon. G. G. Foster) and my honourable friend from Montarville (Hon. Mr. Beaubien) to turn over in their minds the possibilities. Perhaps they will realize that there are other reasons for this than the question of bookkeeping, complicated though it may be.

There is no question that the administration of the system is considerably hampered by the present situation. The Grand Trunk Pacific is still in the hands of a receiver. If we decided to put an end to that receivership, such action would necessarily entail the liquidation of that part of the system and the bringing of it under the hammer. But, as the ex-Minister of Railways (Rt. Hon. Mr. Graham) has said, there is the old Grand Trunk Railway system, and we have to decide on the possibilities of that system and what it represents in optimism for the years to come.

Now, I think there is considerable advantage to be gained in clearing up that whole question, and in abolishing this perpetual debenture and limiting the liability to 32 years. Like the honourable gentleman from de Salaberry (Hon. Mr. Beique), I am not au fait of the figures which the members of the Canadian National Railway Board and the two Cabinets that have studied this matter had before them. That is a matter which might be examined into more carefully, but I believe that the Senate would be justified in giving credit to those administrations for having done the best they could under the circumstances. With these few remarks I agree to the Committee reporting progress and asking leave to sit again.

Hon. Mr. BEIQUE: Before the motion is put, I would like to have to-morrow an answer to the question put by the honourable Leader on the other side (Hon. W. B. Ross) as to whether there remains a class of securities which may demand practically the same treatment, or require the continuation of the bookkeeping of the Grand Trunk Pacific and the old Grand Trunk Railway.

Hon. Mr. BEAUBIEN: May I also ask the honourable Leader of the Government to enlighten us as to the income of the Grand Trunk Pacific within the last year, so that we may have some idea of the transaction for which we are legislating. The matter is presented to us now in such a way that we have the whole future of this road to consider, and we must be careful. Can we not, therefore, get some idea of the future by looking back a little into past years? Let us have information on the income of those roads for a certain period of years; then we can see how they improve, and can form some idea as to what their earning power will be.

Hon. Mr. DANDURAND: I will consult the Minister of Railways, and take the matter up again to-morrow.

Progress was reported.

SPECIAL WAR REVENUE BILL

FIRST READING

Bill 59, an Act to amend The Special War Revenue Act, 1915.

SECOND READING

Hon. Mr. DANDURAND moved the second reading of the Bill.

He said: We passed this Bill last Session unanimously, and I would suggest that we repeat the performance now.

Hon. W. B. ROSS: Would the honourable gentleman mind telling us what it is?

Hon. Mr. DANDURAND: Yes. The honourable gentleman may remember that it formed part of a Bill that was consequential to the Budget pronouncement. It deals with the stamp tax on receipts, which was removed; the excise tax on playing cards, etc.

Hon. W. B. ROSS: Yes, that was passed before.

Hon. Mr. DANDURAND: And in fact part of it has been applied by Order-in-Council.

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

THIRD READING

Hon. Mr. DANDURAND 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. 3

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 58, an Act for granting to His Majesty a certain sum of money for the Public Service of the financial year ending the 31st of March, 1927.

He said: Honourable gentlemen, this is an amount to be placed at the disposal of the Canadian National Railways to the extent of $21,000,000, and at the disposal of the Canadian Government Merchant Marine to the extent of $400,000.

The amount required was originally $31,000,000. I think that was the amount asked last Session and adopted by the other Chamber. I do not know whether or not the Bill came to us and was adopted here. The sum of $10,000,000 has been expended since then, apparently under a special Bill. The amount now required totals $43,540,236.72; but against this sum there is a surplus in earnings of $38,853,621, leaving a deficit of $4,686,615.72. To this must be added the $5,000,000 required for new equipment; $9,313,384.28 for general additions and betterments; and the sum of $2,000,000 for an addition to the Chateau Laurier. These amounts make the total $21,000,000.

As I have stated, $400,000 is for the purpose of covering a prospective deficit on the Canadian Government Merchant Marine.

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

THIRD READING

Hon. Mr. DANDURAND 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 17, 1927.

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

Prayers and routine proceedings.

PRIVATE BILLS

FIRST READING

Bill M2, an Act to incorporate the Quebec Occidental Railway Company.—Hon. J. H. Ross.

MOTION FOR SECOND READING

Hon. Mr. CASGRAIN: With the leave of the House, and in view of a probable adjournment, I would ask for the second reading of this Bill, so that it may be posted and the time of the adjournment may count.

Hon. Mr. DANIEL: Explain what the Bill means.

Hon. Mr. CASGRAIN: It is an ordinary railway Bill.

Hon. Mr. DANIEL: But an ordinary railway Bill may mean a lot of expenditure, or it may not. I would like to know what this is about.

Hon. Mr. CASGRAIN: Then I will move for the second reading to-morrow.

The motion was agreed to.

FIRST READING

Bill N2, an Act to incorporate the Gatineau Transmission Company.—Hon. Smeaton White.

SECOND READING

Hon. W. B. ROSS moved the second reading of the Bill.

He said: Honourable gentlemen, I would ask for the second reading of this Bill now. This is the Bill referred to in the last report of the Committee on Standing Orders, which has just been read. It is an exact replica of the Bill which passed all the stages last year, not a word being changed. It is a measure of some importance, having reference to a large public work in this vicinity, and I do not think it would be improper or unfair to ask the House to give it its second reading now.

Hon. Mr. DANDURAND: Did the Bill pass the House last year?

Hon. W. B. ROSS: Yes, both Houses. With the leave of the House I move that it be now read the second time.

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

THIRD READING

Hon. W. B. ROSS: With the consent of the House, I move the third reading of this Bill.

The Hon. the SPEAKER: What about the Committee? Is it not to be referred to Committee?

Hon. W. B. ROSS: No.

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

FIRST READING

Bill O2, an Act respecting the Quebec, Montreal and Southern Railway Company.—Hon. Mr. Béique.

SECOND READING

Hon. Mr. CASGRAIN moved the second reading of the Bill.

He said: This Bill is in exactly the same position as the one that has just been passed. It has been through the House, and, as the report says, all the rules have been complied with. With the leave of the House I would move the second reading of the Bill now.

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

THIRD READING

Hon. Mr. CASGRAIN moved the third reading of the Bill.

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

FIRST READING

Bill P2, an Act respecting the Commercial Travellers' Mutual Insurance Society.—Hon. Mr. Haydon.

FIRST READING

Bill Q2, an Act to incorporate the Detroit and Windsor Subway Company.—Hon. Mr. McMeans.

SECOND READING

Hon. Mr. HAYDON moved the second reading of the Bill.

He said: This Bill is in exactly the same situation as the two Bills previously mentioned. It passed both Houses last year, but did not receive the Royal Assent. I ask,

with the leave of the House, that the same procedure be followed as in the other cases.

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

THIRD READING

Hon. Mr. HAYDON moved the third reading of the Bill.

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

FIRST READING

Bill R2, an Act respecting the Dominion Electric Protection Company.—Hon. G. G. Foster.

SECOND READING

Hon. G. G. FOSTER moved the second reading of the Bill.

He said: Honourable gentlemen, the purpose of this Bill is to increase the capital stock of the company from half a million to a million dollars. This Bill was passed last year, but lacked the Royal Assent.

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

THIRD READING

Hon. Mr. FOSTER moved the third reading of the Bill.

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

GRAND TRUNK PACIFIC SECURITIES BILL

FURTHER CONSIDERED IN COMMITTEE AND REPORTED

The Senate again went into Committee on Bill 57, an Act respecting the Grand Trunk Pacific Railway Company and respecting the Canadian National Railways.

Hon. Mr. Robinson in the Chair.

On section 2 (reconsidered)—scheme of arrangement confirmed:

Hon. Mr. BEAUBIEN: In view of the unexpected and very decisive information that has been given with respect to this Bill, for my part I do not feel that I would be justified in continuing to oppose it. I only regret that the information was not given before. It might have prevented a long and useless discussion.

Section 2 was agreed to.

On section 3—scheme to be operative upon passing of this Act:

Hon. Mr. HAYDON.

Hon. G. G. FOSTER: Does that wipe out any of the bondholders?

Hon. Mr. DANDURAND: Ninety per cent of the bondholders have agreed to come in under the scheme; and under the Railway Act, which is similar to the British Act, the rest will have no option, but will be treated as coming under the scheme.

Hon. W. B. ROSS: They are brought in nolens volens.

Section 3 was agreed to.

Sections 4 to 7, inclusive, were agreed to.

On section 8—Certificates for £3,000,000 of Pacific Stock held as security to be surrendered and cremated:

Hon. Mr. BEAUBIEN: Will the honourable gentleman give us some information as to that? It is rather involved.

Hon. Mr. DANDURAND: May I read the explanation printed with the Bill?

This provision is to enable the charge on the property of the Pacific Company to be cancelled as mentioned above in connection with Section 6. The certificate of the £3,000,000 of Pacific Stock is merely collateral security to the £2,000,000 advance made to the old Grand Trunk Railway of Canada which is now the Canadian National Railway Company. The Crown holds the Grand Trunk Railway Company's notes for the £2,000,000 and the certificates of Pacific Stock are of no greater value than the notes, and practically of no value. Provision is therefore made for their cancellation without, however, affecting the indebtedness between the parties.

That is a question of bookkeeping.

Section 8 was agreed to.

Section 9 was agreed to.

On section 10—receivership of Grand Trunk Pacific Railway to terminate:

Hon. W. B. ROSS: I would ask the honourable gentleman about the discharge of the receivership of the Grand Trunk Pacific. Is the liability on the perpetual debenture bonds the only liability of the whole Grand Trunk Pacific? How does it come that the mere payment of this one debt justifies the discharge of the liquidator? What becomes of other liabilities?

Hon. Mr. DANDURAND: There seems to be no obligation outside of this one—no other obligation that is not already assumed either directly by the Government guaranteeing, or indirectly by the Government having guaranteed Grand Trunk Railway issues.

Hon. W. B. ROSS: Then everything has been paid, in substance?

Hon. Mr. DANDURAND: Or has been assumed.

Hon. W. B. ROSS: That is the same thing, as far as winding up is concerned.

Hon. Mr. BEAUBIEN: That means, I suppose, that pending this settlement the receivership could not be terminated, and now everything is adjusted?

Hon. Mr. GRAHAM: Every impediment is removed.

Hon. Mr. BEAUBIEN: Everything has been assumed, or will have been assumed.

Section 10 was agreed to.

Section 11 was agreed to.

On Schedule "A":

Hon. Mr. BEAUBIEN: Will the stock that will be redeemed by the drawing of lots in the first ten years, as mentioned in section 2 of the schedule, be paid for at 100 cents on the dollar?

Hon. Mr. McLENNAN: I would ask the honourable gentleman why there is a minimum of £60 in the redemption of stock on purchase by tender only? If a man tendered to sell his stock at £55, why should that price not be taken?

Hon. Mr. DANDURAND: I would ask Mr. Yates to come to the floor.

Hon. Mr. BEAUBIEN: In the purchase of stock by tender the minimum fixed is £60; but in regard to the drawing of lots the provision reads, "a sufficient amount of the stock to exhaust at par" the sinking fund moneys.

Hon. Mr. McLENNAN: That is a gamble.

Hon. Mr. BEAUBIEN: Perhaps my honourable friend (Hon. Mr. Dandurand) can give us some enlightenment on clause 2, in which it is stated that the tenders shall be made for "not less than £60 and not more than £100". Why limit the amount of the tender to not less than £60? If a man prefers to have his capital by tendering at £50, why should we prevent him from getting it? Many people might prefer to have their money in their own business rather than in this stock at 2 per cent. Then again, why put a limit at £100 when the Government has the right to redeem it at £100? Why say, "Don't send more than £100"? It seems futile to put that in.

Hon. Mr. DANDURAND: Of course that feature of it does no harm to anybody. It is quite clear.

Hon. Mr. BEAUBIEN: But the limit of £60 does harm. Why should we not have the right to repurchase if any of those holders want to sell for less than £60?

Hon. Mr. DANDURAND: That figure was struck after discussion between the two interests—the holders and the intending purchasers. This scheme is a bilateral one, and that form has been agreed upon. It would be impossible for me, unless I consulted the attorney who drafted it, and who met the parties, to say why those figures were fixed upon in the arrangement.

Hon. Mr. McLENNAN: Is it not extremely unusual? In ordinary companies, when issues of bonds are redeemable, tenders are put in without any minimum; but this scheme permanently pegs the lowest price of the stock at £60, instead of leaving it to the open market. It means that anyone holding this stock until the time comes for the first drawing is bound to get not less than £60. I cannot see any reason for that feature, or any advantage in it to the Government of Canada.

Hon. Mr. DANRURAND: Very likely it was arranged by figuring what the bonds would be worth. When one knows that a bond has 32 years to run, and the holder will receive only 2 per cent interest, one can easily ascertain what it will sell for; and probably one of the conditions may have been that if there is any call for the withdrawal of bonds the holders shall get at least £60. It will be for the company to decide when and to what extent they will pay for bonds before the expiry of the ten years, and the figure at which they will agree to purchase them.

Hon. Mr. McLENNAN: But for the first ten years they are bound to apply the sinking fund to the purchase of bonds.

Hon. Mr. DANDURAND: It would depend on the sinking fund.

Hon. Mr. McLENNAN: Yes; but ordinarily, where there is a sinking fund, tenders are put in without any limitation, without pegging the price at a certain figure, such as £60 in this case.

Hon. Mr. BEAUBIEN: It seems to me we are legislating now to limit the liberty of those who are to put in tenders.

Hon. Mr. McLENNAN: No, we are giving them an advantage.

Hon. Mr. BEAUBIEN: But we are preventing those people from sending in any tender lower than £60. We cannot accept any tender at less than £60; so if any holder sends in a tender for £50, that is too cheap, and we have to wait until he sends back a tender for £60 before we accept it. Why should we legislate to limit the liberty of those who offer these bonds?

Hon. Mr. DANDURAND: I would point out to my honourable friend that the holders may expect by postponing the date of payment, to get a hundred cents on the dollar. It is for them to decide what rate they will take for their holdings during those first ten years, because after ten years they are entitled to 100 per cent. This arrangement has been a matter of discussion between the two interested parties, and I would be very slow to suggest that we should amend it.

Hon. Mr. BEAUBIEN: In other words, that arrangement must be accepted in toto, or not at all? That is the answer?

Hon. Mr. DANDURAND: I should think so.

Hon. Mr. BEAUBIEN: Then there is no use in discussing it. It is like a treaty. But it is very unusual.

Hon. Mr. McLENNAN: It is so unusual and improvident that I think that opinion ought to be hedged.

Schedule A was agreed to.

Schedule B was agreed to.

The preamble and title were agreed to.

The Bill was reported without amendment.

THIRD READING

Hon. Mr. DANDURAND 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

Friday, February 18, 1927.

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

Prayers and routine proceedings.

DIAMOND JUBILEE OF CONFEDERATION BILL

FIRST READING

Bill 65, an Act to incorporate a National Committee for the celebration of the Diamond Jubilee of Confederation.—Hon. Mr. Dandurand.

SECOND READING

Hon. Mr. DANDURAND moved the second reading of the Bill.

He said: Honourable gentlemen, it will be remembered that at the last session of Parliament the honourable member from Toronto (Hon. Mr. Lewis) moved a resolution in favour of a solemn celebration of the sixtieth anniversary of Confederation. That motion, which met with the unanimous approval of this Chamber, was very well received by the country at large, and it has been agreed on all hands that there should be a fitting celebration of Canada's Diamond Jubilee.

The Government has thought that this matter should be confided to a Committee composed of a number of representative Canadians, who would gather in Ottawa and appoint an executive and decide on the general outlines of a program. The persons mentioned in this Bill as forming the Committee will have to meet probably but once, to appoint an executive that will have charge of the whole celebration. The Committee may also decide to lay down some general rules or principles.

Members of the Committee named are His Excellency the Governor General; Her Excellency the Viscountess Willingdon; His Honour William D. Ross, Lieutenant Governor of Ontario, and all the Lieutenant Governors and Prime Ministers of the various provinces; the Prime Minister of Canada and some of his colleagues; the Right Honourable Francis A. Anglin, Chief Justice of Canada; the Right Honourable Sir George Eulas Foster; the Right Honourable George P. Graham; the Right Honourable Sir Robert Laird Borden; the Honourable Sir George Halsey Perley. I will dispense with the reading of the entire page of names. They are the names of persons holding official positions throughout Canada. This Committee will have at its disposal the sum of $250,000, which will come from the Dominion Exchequer.

The objects of the Corporation shall be to make and carry out the necessary arrangements in co-operation with the several provinces and other bodies active to that end for an effective celebration of the sixtieth anniversary of the formation of the Dominion of Canada, and to administer and distribute the grant herein mentioned and any further grant or grants hereafter made or moneys received by it for the said purposes.

Under this scheme, there may be contributions from the provinces or the provinces may decide to organize their own committees and vote moneys from their own exchequers.

The affairs of the Corporation shall be administered by an Executive Committee consisting of a Chairman and such other officers and members as the Corporation may from time to time determine. The persons whose names are mentioned in section 2, part of which I read, shall constitute the provisional Executive Committee, which shall hold its first meeting in Ottawa.

The Corporation shall have power to co-operate with any other bodies organized and established in any place in Canada for purposes similar to those of the Corporation.

The Corporation shall have power to accept contributions or receive moneys from any source and for the purposes of this Act to apply or expend the same.

The Corporation may out of the moneys vested in it pay all expenses it thinks necessary or proper to incur, or which it considers have been properly incurred by the Corporation or on its behalf in connection with the carrying out of the objects of this Act.

The financial operations will be duly audited.

This Bill, in its form, reminds me of the one we passed for the creation of the Canadian Patriotic Fund, which worked so satisfactorily for the people of Canada.

I think that with this explanation the Senate will not object to my moving the second reading of this Bill now.

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

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

ROYAL AGRICULTURAL WINTER FAIR ASSOCIATION BILL

FIRST READING

Bill 64, an Act for the granting of assistance to the Royal Agricultural Winter Fair Association of Canada at Toronto, Ontario.—Hon. Mr. Dandurand.

SECOND READING

Hon. Mr. DANDURAND moved the second reading of the Bill.

He said: Honourable gentlemen, at the request of the Royal Agricultural Winter Fair Association of Canada and the live stock associations of Canada, the Government has deemed it proper to join with the province of Ontario in enlarging the operations and the housing of the Winter Fair.

The city of Toronto furnished the land and has already spent $1,500,000 for the buildings in which to hold the exhibition. It was thought at the time the buildings were erected that they would be quite sufficient for a number of years, but hardly two or three years had passed when there was a demand for twice the accommodation available. The matter was then discussed as to the advantage to Canada in developing this live stock exhibition, which has taken on national, even international proportions. It will probably very soon rival the live stock exhibition of Chicago. Everybody knows that our exhibits go to Chicago and return quite often with the blue ribbon.

The Government of Canada thought it could not refuse the suggestion to join with the Province of Ontario in extending the operations of this Association, and for that purpose it suggests to Parliament to vote twenty annuities of $35,000 each representing $700,000, which amount is equal to that given by the Province.

The area covered by the present buildings is a little over five acres. With the expenditure of the sum of $1,400,000, which is represented by these annuities and will very likely be capitalized, the space covered will exceed twelve acres. This Winter Fair will be one of the biggest things in Canada, and I really believe that the proposed investment is justified. The exhibition has already had considerable success and is bound to develop very rapidly.

With these explanations I ask leave of the Senate to move the second reading of this Bill.

Hon. Mr. SCHAFFNER: Honourable gentlemen, I would like a little information, as I came in perhaps a little late. I understood the honourable leader of the Government to say that this is an international affair. I understand it is a winter fair. Is that right?

Hon. Mr. DANDURAND: Yes, a winter fair.

Hon. Mr. SCHAFFNER: On what ground is it to be considered an international affair?

Hon. Mr. DANDURAND: Because of the exhibits from the south. I do not know that exhibits have come from countries other than the United States. Honourable members who have had direct contact with that exhibition could perhaps give further information. I used the expression "international" because Americans are coming to that fair, as well as exhibitors and visitors from all parts of Canada.

Hon. Mr. SCHAFFNER: But I suppose it is understood by honourable members that there are winter fairs in other provinces than Ontario. While I am not objecting to the amount of this grant, I know that I shall be asked why we should pay this money for a winter fair in Toronto, and whether other provinces of the Dominion will not be in a position to ask for grants for their winter fairs.

Hon. Mr. STANFIELD: But they get them now. I know the Winter Fair at Amherst, in Nova Scotia, gets a grant.

Hon. Mr. WILLOUGHBY: There is one in Winnipeg.

Hon. Mr. SCHAFFNER: Can the honourable gentleman give us any information?

Hon. Mr. DANDURAND: Yes, I can; because I have read what the Minister of Agriculture said in answer to such an inquiry. He said that each case would have to be decided on its own merits. Here we have an exhibition which, apparently on account of its geographical situation, has assumed such proportions as to justify the Government in joining with the Province of Ontario in helping to develop it. There is nothing in the Bill which says that the liberality of the Dominion Government and of Parliament shall stop there, and conditions may arise which would justify a similar gift or advance from the Federal Treasury. I am sure that each case would be judged on its merits and decided in a spirit of justice and fair play to the other provinces.

Hon. Mr. SCHAFFNER: Can the honourable gentleman inform me whether any provincial winter fairs have received grants from the Federal Parliament?

Hon. Mr. DANDURAND: Of course my honourable friend lays emphasis on the word "winter".

Hon. Mr. SCHAFFNER: Did not the honourable gentleman call it a winter fair?

Hon. Mr. DANDURAND: If I am not mistaken, there has been a classification of exhibitions throughout the country, and at one time Winnipeg came under Class A for a gift from the Federal Government.

Hon. Mr. WILLOUGHBY: That was a summer exhibition.

Hon. Mr. DANDURAND: That was a summer exhibition. Winnipeg ceased for a time to qualify for that subsidy, and the hope was expressed elsewhere that before long Winnipeg would resume its former activities and develop its exhibition.

Hon. Mr. SCHAFFNER: But the Province of Manitoba holds a very important fair. There is a misunderstanding. The honourable gentleman does not say that this fair in Ontario is a September fair, does he? I think I am right in defining it as a winter fair.

Hon. Mr. DANDURAND: This winter fair is held in November, I am told.

Hon. Mr. SCHAFFNER: This is not the regular summer fair that is held in that Province. That is what I understood. The honourable gentleman speaks of Winnipeg. There has not been a fair, or exhibition, as we are accustomed to call it, held in Winnipeg for a number of years; but a really good fair is held in Brandon in July. We hold also what is called the Winter Fair, and I believe it has become quite a prominent institution.

Hon. Mr. WILLOUGHBY: That is the winter fair in Winnipeg?

Hon. Mr. SCHAFFNER: No; it is in Brandon. There has been no fair of any importance held in Winnipeg for a number of years. I know that the other provinces have been receiving grants for their summer fairs, but, so far as I know, none for winter fairs, and this is, I understand the first instance in which a grant has been given to a winter fair.

Hon. Mr. DANDURAND: That is my impression.

Hon. Mr. STANFIELD: I think the honourable gentleman is wrong—if he will pardon me. At Amherst, Nova Scotia, a Winter Fair has been held for some years. That being a central point, stock is shown there from Nova Scotia, New Brunswick and Prince Edward Island. I am quite sure I am stating the fact when I say that a grant is given each year from the Dominion Government towards the prize list of that fair.

Hon. Mr. WILLOUGHBY: I am in doubt whether this is an additional grant or whether it is to be charged to the ordinary grant in connection with live stock and deducted from the appropriation for that purpose. Are we voting an additional sum of $700,000, spread over twenty years?

Hon. Mr. DANDURAND: This is an absolutely separate grant, under an agreement with the Ontario Government.

Hon. JOHN WEBSTER: This Winter Fair is held after all the fall fairs have been concluded. The very best specimens of stock produced in America, that have been prize-winners at the local fairs, are sent to Toronto, where they compete with one another. This is, I believe, the greatest live stock fair in the British Empire. I have heard men from as far south as Texas and from the far west say that they have never seen anything to compare with the Royal Winter Fair, and I agree with them, after having attended most of the fairs in America. The Toronto Fair is in a class by itself. The very best stock to be found anywhere on the American continent is shown at this fair, and the Association has every right to be proud of it.

Hon. Mr. MACDONELL: I think I can throw a little light on the question whether this is an international show. At the Toronto

Winter Fair there are horses in jumping classes, officers' chargers, steeple-chase horses, and so on, from France and Belgium. This Fair is held not only after the exhibitions throughout the country have closed, but after all the crops including vegetables and fruits of all descriptions, have been gathered in. Therefore it is really an international exhibition, and it is acknowledged by Americans, and by people from the British Isles and elsewhere, to be the greatest and most successful show of its description in the world.

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

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

MONTREAL HARBOUR LOAN BILL

FIRST READING

Bill 60, an Act to provide for a loan to the Harbour Commissioners of Montreal.—Hon. Mr. Dandurand.

SECOND READING

Hon. Mr. DANDURAND moved the second reading of the Bill.

He said: Honourable gentlemen, the object of this Bill is to authorize the Governor in Council to lend to the Corporation of the Harbour Commissioners of Montreal the sum of $12,000,000 for the construction of terminal facilities. Every honourable gentleman in this Chamber knows of the considerable development that is going on in some of our ports, and the congestion which has become apparent in the last few years in the port of Montreal.

The elevator capacity of the port of Montreal is 12,162,000 bushels. The total shipment of grain through that port in 1921 was 100,000,000; in 1926 it was 166,000,000 bushels. All the corporations that have to do with shipping have been pressing for larger facilities for the handling of the incoming and out-going ocean freight at that port.

The Harbour Commissioners ask leave to proceed to provide those greater facilities. The sum of $12,000,000, which is asked by them, is to be spent under the following heads: harbour dredging, $800,000; wharves, piers and basins, $5,400,000; plant, $155,000; shops and buildings, $322,000; railways and electrification, $1,342,000; permanent sheds, $300,000; grain elevators, $3,155,000; sundries, $142,000.

I have before me a memorandum of all the details, and if there is any desire for further information under some of those heads, I am at the disposal of the Senate.

Hon. Mr. DANIEL: Can you put it on Hansard?

Hon. Mr. DANDURAND: I can do so, if that is the unanimous wish of the Senate.

Hon. Mr. COPP: Is that a part of the Bill?

Hon. Mr. DANDURAND: The Bill is simply an enabling Bill; it is to enable the Governor in Council to lend to the Harbour Commissioners of Montreal up to $12,000,000 upon the bonds or debentures of that corporation.

Hon. W. B. ROSS: May I ask the honourable gentleman, is not this the Bill we passed last Session? I think it passed all stages except that it did not receive the Royal Assent to make it law.

Hon. Mr. DANDURAND: I would not have trusted to my own memory to answer my honourable friend, but the Clerk of the Senate informs me that it is the same Bill.

Hon. Mr. ROSS: That is my recollection.

Hon. Mr. DANDURAND: I may add for the information of my honourable friend that the Harbour Commission of Montreal is meeting the interest on all its loans and has a sinking fund of more than a million dollars, with which it will meet a loan that is shortly to mature. The institution is therefore self-sustaining.

With these explanations I ask leave to move the second reading of this Bill.

Hon. Mr. DANIEL: How long is it expected the expenditure of this money will take? It would naturally take some years, would it not?

Hon. Mr. DANDURAND: I should be surprised to see the expenditure all made in one season. The work goes on mainly from the opening to the closing of navigation, but when I see that it is proposed to expend $5,400,000 on wharves, piers and basins, I am convinced that it will take more than one season.

Hon. Mr. DANIEL: Oh, yes. I understand the statement of details will be included in Hansard. I think it would be very interesting to see exactly in what way the money will be disbursed.

Hon. Mr. DANDURAND: Yes. With the unanimous consent of the Senate I will place on Hansard the full details of the expenditure of that sum.

Hon. Mr. SCHAFFNER: Can the honourable gentleman tell us how much money we have from time to time granted to the Montreal Harbour Commissioners? I know we have been at it for some years.

Hon. Mr. DANDURAND: The advances to the Port of Montreal make a total of $44,000,000.

Hon. Mr. SCHAFFNER: What is the interest?

Hon. Mr. DANDURAND: I think it is 5 per cent.

Hon. Mr. SCHAFFNER: I think it is 4, or 4½; not exceeding 4½.

Hon. Mr. DANDURAND: Perhaps my honourable friend is right. I know that we were told one day that Montreal was getting cheaper money than the Government could borrow, and I should not be surprised to find that the rate is 4 per cent. We are evidently approaching the time when we may get money at that rate.

Hon. Mr. SCHAFFNER: For what term of years is this sum of $12,000,000?

Hon. Mr. DANDURAND: It is quite a long term of years. Although the Act does not mention the term "sinking fund," the Commissioners must provide a sinking fund to meet the capital. So it would extend over about thirty years.

Hon. Mr. SCHAFFNER: Have any of the loans matured yet?

Hon. W. B. ROSS: Yes, they have, and they have been redeemed. I may say to the honourable gentleman that Montreal has never failed in regard to those. It has always paid its interest, and has more than once redeemed bonds out of its sinking fund.

Hon. Mr. SCHAFFNER: A sinking fund of $1,000,000 would not go far.

Hon. Mr. ROSS: The situation has been satisfactory up to date. It would be well if others were as satisfactory. The Montreal Harbour Commissioners are in a peculiar position, because they have the goods in their own hands. I do not thank them very much for it, but the fact is that they do pay their interest and they redeem their bonds.

Hon. Mr. DANDURAND: I may say that $1,000,000 will fall due on the 1st day of July, and they have a sinking fund of $1,600,000 to meet it.

Hon. Mr. SCHAFFNER: They are solvent.

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

Hon. Mr. DANDURAND.

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

The detailed statement referred to in the debate on the Montreal Harbour Loan Bill is here printed by unanimous consent of the Senate:

HARBOUR COMMISSIONERS OF MONTREAL

New Works Proposed to be Carried out During the Years 1926, 1927, 1928

Recapitulation

A—Harbour dredging	$ 800,000
B—Wharves, piers and basins	5,400,000
C—Plant	155,000
D—Shops and buildings	322,000
E—Railways and electrification	1,342,000
F—Permanent sheds	300,000
G—Grain elevators	3,155,000
H—Sundries	142,000
Grand total	$11,616,000

A—HARBOUR DREDGING

1.—Completion of Deepening of Windmill Point Basin, $90,000.

While the southern half of this Basin was dredged many years ago for deep draft vessels and equipped with modern deep draft wharf, the north half provided only 25 to 27 feet depth, and the wharves consisted of old obsolescent crib-work extending only from 17 to 22 feet under the water, in a more or less ruinous and dangerous condition.

Subsequent to the Commissioners taking over Elevator "B" and extending its facilities it became imperative to proceed with the reconstruction of the wharf and the deepening of the north half of the Basin, and the Commissioners were accordingly authorized to proceed with a half of this work, and the remaining half on the north side has yet to be done, or in other words three-quarters of the entire Basin has now been deepened, suitable for deep draft vessels, and it is estimated that the sum of $90,000 is required for the deepening of the remaining quarter, thus completing the whole Basin.

2.—Dredging on Forsyth Shoal, $235,000.

In order to proceed with wharf construction below the Sutherland Pier it is necessary to remove portions of the Forsyth Shoal as the work progresses, while at the same time it is imperative that dredging be done at the upstream end of the Shoal, as its present contour renders it a menace to ships approaching and departing from the Sutherland and Tarte piers and numerous complaints and representations have been made to the Commissioners both by pilots and shipping interests, who have urgently requested its removal. It is estimated that the sum of $235,000 will cover the necessary work requiring to be done during the next three years.

3.—Channel between Racine Wharf and Dry Dock Channel, $85,000.

The present channel leading to Vulcan Wharf and Racine Pier follows along the North Shore from Longue Pointe, terminating at Racine Pier in a cul-de-sac, which obliges ships berthing at those wharves to turn around in a very narrow

channel at considerable risk, vessels frequently going aground and having to be pulled off by tugs.

The traffic at those two wharves has increased so tremendously during the past two years that there is also congestion under the present conditions and some relief is imperative. It is, therefore, proposed to dredge, from the end of the existing channel, a passage connecting with the channel leading to the Dry Dock, so that ships unloading at the Vulcan Wharf and Racine Pier may be able to depart through the proposed channel on light draft, thereby avoiding risks of grounding and preventing congestion to traffic.

It is proposed to carry out this work during the present season and the estimated cost is $85,000.

4.—Bickerdike Basin and Approach, $390,000.

This work has been in progress for many years, appropriations having been granted from time to time; each section authorized has now been completed and the above sum of $390,000 is required to complete another section during the next three years.

The work consists of the dredging of the valuable area in the central harbour lying between the Bickerdike Pier and the Guard Pier, where further accommodation is urgently required, not only for additional berthage, but also for accommodation of inland vessels awaiting their turn to be unloaded at the Commissioners' elevators, and the work now proposed will permit of the building of the south side of the Bickerdike Pier for the one and provide additional basin area for the other.

The material to be dredged consists entirely of rock and the work now proposed is therefore the most efficient, expeditious and economical method by which the Commissioners can obtain sufficient rock fill for the various wharves in course of construction and proposed to be constructed, and for this purpose also authorization of an appropriation of the above amount is urgently required.

Total for Harbour Dredging, $800,000.

B—WHARVES, PIERS AND BASINS

The rapid increase in the business of the harbour during the past two or three years has taxed the berthing accomodation to the utmost; new steamship lines have come to the port, those already established have brought in additional ships of greater tonnage and inaugurated new services, with the result that, while the year 1924 established the record for the greatest number of ocean steamships coming to the port over all previous years, the increase in aggregate tonnage of ocean and sea-going vessels in 1925 was twenty-five per cent greater than in 1924. The Harbour Commissioners have been, consequently, hard put to it to meet the demands for allotments, and while, with considerable difficulty, all applicants were in a way accommodated, many had to do with less space than was asked for and no doubt required for the more efficient carrying out of their business.

This method of procedure cannot go on indefinitely and has now reached its limit, and if additional berthing accommodation is not soon available the business of the Port will suffer serious detriment. The Commissioners, therefore, earnestly request that provision be made for carrying out the following program of wharf construction during the next three years, to meet a situation which will otherwise become serious.

1.—Extension of Bickerdike Pier, $930,000.

The only area remaining for development in the upper harbour is that lying between the Bickerdike Pier and the Guard Pier, and it has always been the intention to proceed with the construction of the south side of the Bickerdike Pier as soon as the dredging, which was inaugurated for that purpose and has been going on for many years, had reached a sufficiently advanced stage.

The area of the new basin now completed permits of wharf construction being begun and it is anticipated, with the continuance of dredging operations, that a length of at least 1,000 feet of wharf can be built within the next three years. This site, being located within the central harbour, is especially desirable and is sufficiently prepared for the immediate construction of a berth 500 feet in length, which it is proposed to carry out this year.

Owing to the importance of the location it is proposed to use reinforced concrete cribs, for greater durability and permanence, as was successfully done in the reconstruction of the wharf in the adjoining basin during the past year.

2.—Continuation of reconstruction of Windmill Point Wharf, $1,715,000.

After the acquisition of Elevator "B" from the Montreal Warehousing Company, the Commissioners were authorized to add to the storage capacity and the unloading facilities and erect modern grain conveyor galleries for the loading of ocean steamships. They were also authorized to replace, with a modern deep draft reinforced concrete quay wall, a length of 1,200 feet of the original old timber crib wall, which was of shallow depth and in such condition that collapse was imminent and in point of fact occurred as soon as reconstruction was begun. The portion of the work as authorized is now practically completed, but the remaining portions of the old wharf are in the same condition as above described.

It is requested, therefore, that provision be made for continuing the reconstruction of this wharf in such stages as may be necessary in the course of the next two or three years, and the estimated cost of completing the remainder of the wharf is $1,715,000.

3. —Continuation of extension of high level shore wharves, sections numbers 25 to 35, $1,190,000.

This is the only site that has been available in comparatively close proximity to the central harbour, for many years, where additional wharfage could be constructed rapidly. Appropriations have been granted from time to time, construction and extension has gone on almost continuously, and as soon as each berth has been completed it has been immediately occupied.

This section of the harbour in recent years has been devoted almost exclusively to the handling of bulk mineral cargoes, for which accommodation has been so limited, and the berths are of the improved "saw-tooth" type. The Commissioners merely ask authorization to proceed with this work as has been done in the past, and the above sum of $1,190,000 is to provide for the construction of two additional "saw-tooth" berths and complete to high level the others presently constructed to low level in accordance with authorization, which

will practically complete wharf construction in this section of the harbour during the next three years.

4.—New Wharves below Sutherland Pier (Section 47-48), $810,000.

As the whole of that portion of the harbour above the Laurier Pier is approaching complete development, no site or space is available in that section for a sufficiently large scheme of expansion to take care of rapidly increasing business and anticipated future requirements. The Commissioners were, therefore, obliged four years ago to begin the intensive development of the Maisonneuve section of the harbour. Elevator No. 3 has been built in close proximity to the Tarte Pier, a grain unloading jetty has been constructed and the adjoining existing berths equipped with grain handling facilities. Any wharf construction carried out immediately above this location would merely be a replacement of existing wharves which, although they are only of the old low level timber crib work type and will eventually have to be replaced by walls of modern construction, cannot be dispensed with until additional berthage is available elsewhere to take care of the business which they now accommodate. The additional accommodation so urgently required can, therefore, only be obtained by proceeding down-stream from the Sutherland Pier, where ample width of wharf is obtainable.

It is estimated that the above sum of $810,000 will permit of the completion of 1,000 lineal feet of additional wharf at this location within the next three years.

5.—Reconstruction of Jacques Cartier Pier, $330,000.

The three main piers in the central harbour, completed about twenty-five years ago, were constructed entirely from foundation cope in timber, and as the life of timber crib work above water level is not usually expected to exceed from twelve to fifteen years, the Commissioners have had under contemplation their reconstruction for the last fifteen years.

Reconstruction, of course, necessitates putting the portion of wharf to be dealt with out of commission, partly or wholly during the season of navigation, and while the Commissioners' programme fifteen years ago was to do one berth each season, accommodation was so limited on account of increasing business that it has been practically impossible to take possession of a single berth for this purpose. The only part of this work that has so far been accomplished was done in 1915 and 1916 when, by means of the closest co-operation of the Manchester Line officials, who did all in their power to facilitate the work, while at the same time maintaining their own services, the reconstruction of the down-stream half of the Jacques Cartier Pier was accomplished.

Fortunately the materials and workmanship of the original piers have been of a very high quality, and, so far, by careful and sometimes somewhat heavy maintenance, it has been possible to keep the old wharves in commission, but reconstruction is very urgently required and it is hoped to proceed with the work as soon as additional berthing accommodation is available, while there is always the contingency of some portion giving out at any time and necessitating immediate action.

The Commissioners, therefore, request that the above sum of $330,000, which is the estimated cost of reconstructing the up-stream face of the Jacques Cartier Pier, be provided, in order that that or any other more urgent portion may be proceeded with as may be necessary.

6.—Industrial Wharves, $425,000.

The Commissioners have had before them for some time applications from the present lessees of the Vulcan Wharf and the Canada Cement Wharf, Montreal East, for extensions to these wharves, which increasing business has rendered imperative. The estimated cost of the required extension to the Vulcan Wharf amounts to $267,000, the extension to the Canada Cement Wharf $158,000, making a total of $425,000, and the industries guarantee the necessary revenue to warrant the work being undertaken.

It is requested, therefore, that the necessary provision be made in order that these items may be carried out during the present year.

Total for Wharves, Piers and Basins, $5,400,000.

C—PLANT

1.—Locomotive Cranes, $45,000.

The Commissioners' force of locomotive cranes, formerly used mainly on construction, have had to be utilized almost exclusively during the past two or three years for wharf service in unloading cargoes from ocean steamships. The demands for this service became so great during the past year that the present force of cranes, even by working twenty-four hours a day, could not meet requirements, and two additional locomotive cranes are immediately necessary to overtake the business in prospect for the present season.

The estimated cost of two new locomotive cranes is $45,000.

2.—Flat Scows, $110,000.

The extended nature of operations consequent upon harbour improvements in general has rendered the present fleet of scows totally inadequate for the efficient service of the dredges and derricks engaged in reclamation work, and six additional flat scows are necessary to meet these requirements, as well as supply such lightering services as are required by shipping.

The above sum of $110,000 is the estimated cost of constructing six new flat scows.

Total for Plant, $155,000.

D—SHOPS AND BUILDINGS

Extension of Harbour Yard, $322,000.

The enlargement of the grain elevator system has increased proportionately the amount of machinery repairs and maintenance done by the Mechanical Department, and four years ago the Commissioners were obliged to erect up-to-date mechanical shops at the Yard at Hochelaga, at which are also situated the locomotive shops.

The change from steam to electric traction necessitates garage accommodation for the electric locomotives and the establishment of a power sub-station, and these, for the greatest efficiency and economy, should be provided at this location. In order to provide for these facilities it is necessary to generally re-model the arrangements at the Yard; divert and bridge over the Aylwin Street ramp and generally extend the Yard eastward.

The above sum of $322,000 is estimated to cover all necessary expenditures in connection with the extension.

Total for Shops and Buildings, $322,000.

E—RAILWAYS AND ELECTRIFICATION

Railways.—The steady increase in railway traffic during the past five years has necessitated a constant yearly enlargement of the railway system, and in order to avoid congestion relief is necessary at the after-mentioned locations:

1.—Two additional tracks on site of existing roadway between McGill Street and Section No. 19, including a connection to track outside flood wall, opposite the Harbour Building, with necessary turn-outs. Estimated cost, $75,000.

2.—Tracks between Parthenais and Poupart streets, in the vicinity of the C.P.R. Junction, to serve the new "saw-tooth" wharves recently constructed at Sections numbers 30 to 32. Estimated cost, $52,000.

3.—Two additional tracks from upper end of Dominion Coal Wharf to Desery Street, mainly for service to Elevator No. 3, as well as general traffic, including widening of embankment and the erection of six girder bridges. Estimated cost, $145,000.

Total for Railways, $272,000.

Electrification.—The electrification of railway terminals had been contemplated by the Harbour Commissioners as early as 1915, but it was decided not to begin operations until after the War, and work was accordingly begun in 1919, with the result that when the present Commission took office seventy-five per cent of the then existing tracks had been electrified.

The present Commissioners have completed the electrification of the remaining portion of the railway system, including such additional tracks as have from time to time been laid down, and it has been necessary for them as the system expanded to add to the generating equipment and provide traction equipment, and the items as enumerated below are required for the electrification of track extensions proposed to be carried out during the present year, enlargement of the generating equipment and additional traction equipment that is immediately necessary for operation of the system as presently developed and to meet the probable requirements of the next two or three years:

1.—Electrification of track extensions above enumerated, including railway transmission lines, estimated cost, $69,000.

2.—Power sub-station at Harbour Yard, including two motor generators and equipments, estimated cost, $280,000.

3.—Miscellaneous additional equipment in existing stations, emergency construction car, and installation of telephones throughout the system, estimated cost, $56,000.

4.—Five new Electric Locomotives, $600,000.

5.—Erection of garage at Harbour Yard for locomotives, $65,000.

Total for electrification, $1,070,000.

Grand total, $1,342,000.

F.—PERMANENT SHEDS

Permanent sheds, $300,000.

The Commissioners have had the same difficulties with regard to demands for transit sheds as they have had for allotments, and during the past two years have not been able to meet all the applications. While the Commissioners have, in a manner, allocated such accommodation as was available among all applicants, nevertheless there were always several applicants who had to do with a shed less than asked for, and the difficulty hitherto in providing for this deficiency has been the lack of wharf space, but it is hoped that with the completion of wharf extensions under construction, and some of those now proposed, sites for additional sheds will be available at an early date.

Additional sheds must be provided as soon as possible and the above amount of $300,000 is the estimated cost for the erection of two semi-detached single storey reinforced concrete sheds with overhead craneway, similar to existing sheds numbers 26 and 27, for which provision should be made so that erection can be begun as soon as a site is available.

G—GRAIN ELEVATORS

1.—Additional storage at Elevator No. 3, $2,700,000.

A Grain Elevator Committee appointed by the Ministers of Marine and Fisheries and of Railways and Canals on March 29, 1922, after an intensive study of the congestion which took place in the years 1921 and 1922, recommended that additional storage to the extent of three million bushels should be immediately added to the facilities of the Port of Montreal, in the expectation of the volume of grain handled in 1922 being maintained, and stated, further, that a further extension of two and a half million bushels would be justified in the event of business increasing. Following upon this recommendation the Commissioners were authorized to enlarge the storage facilities at Elevator "B" by approximately one and a quarter million bushels, and to construct a new elevator at Maisonneuve with an initial storage capacity of two million bushels.

These works were begun in 1923 and were pressed as rapidly as possible to completion, but the additional storage of three and a quarter million bushels so provided was not really fully available until the season of 1925, with the result that the amount of grain received for shipment being over 165,000,000 bushels, as compared with 155,000,000 bushels in 1922, about 10,000,000 bushels more grain had to be handled with practically the same storage facilities.

This situation was greatly aggravated in the fall by the lack of demand for export, and on September 3 no less than 63 lake boats were waiting to be unloaded at the harbour elevators, causing considerable hardship to the inland water carriers, while in the month of October the railway companies suffered in like manner from similar causes. Last season, these additional facilities being in full operation, the quantity of grain received for shipment being approximately the same, and supply and demand being less at variance, the situation was decidedly improved; nevertheless, even under those conditions, in the month of May there were actually forty-two lake vessels waiting to be unloaded.

These conditions prove that the findings of the Grain Elevator Committee were correct, and show that an addition to the storage of the Port of not less than three million bushels

is immediately necessary, even if the present volume of business is maintained, and still greater additions must be made if the volume of business increases. Elevator No. 3 at its inception was planned as the first unit of a future expansion just to provide for such contingencies.

The present storage capacity is two million bushels, but the working arrangements, intake and delivery were designed to serve a very much larger house, the ultimate capacity contemplated being between twelve and fourteen million bushels, the plan being to add additional units of about three million bushels capacity from time to time as the increase in business demanded.

The Commissioners therefore earnestly ask for authorization to proceed with a second storage unit of three million bushels at Elevator No. 3, the estimated cost of which is $2,700,000, which sum includes cost of pile foundations, connecting conveyor galleries and all other necessary equipment.

2.—Extension of Conveyor Galleries in Central Harbour, $65,000.

The Alexandra, King Edward and Jacques Cartier Piers having been lengthened about 250 feet to accommodate the largest ships now coming to the port, it is necessary to extend the existing conveyor galleries, on both sides of these piers, sufficiently to serve the enlarged berths, and the estimated cost of the necessary extensions amounts to $65,000.

3.—Improvement and extension of Conveyor Galleries at Elevator "B", $100,000.

Plans, specifications and estimates for this work were submitted and approved last year, but while the total estimated cost amounted to $400,000, only a sufficient amount, namely, $300,000, was asked for, and granted, for the sections of the work carried out last year.

The work has been carried out according to program and authorization and the above sum of $100,000 is necessary to carry out the work proposed to be done this year, according to program already approved.

4.—Installation of protective devices in Elevators numbers 1, 2 and "B", $160,000.

The explosion which took place in Elevator "B" on December 1, 1924, not only occasioned a very thorough investigation of the origin by several independent authorities, at the request of the Commissioners, but during the past year a very serious study was made of the possibilities of eliminating contributory conditions, with a veiw to making the harbour elevators as nearly as possible immune from this danger, not only for the protection of harbour property and the lives of the operators, but also for the safety of properties in the vicinity of the elevators and the public in general.

After consultation with expert authorities and their own officers, the Commissioners decided to install at the earliest possible date a system of protective devices, consisting of automatic windows and shutters, together with vents in the legs, bins, hoppers, etc., and the installation of dust collecting systems in the older elevators, numbers 1, 2 and "B"; the new elevator No. 3, having been already equipped with all such devices during erection.

The total cost of these protective measures in the three elevators amounts to $160,000.

5.—New power station at Elevator No. 1, $130,000.

The installation of six car unloaders in Elevators numbers 1 and 2, together with the extensions of the conveyor galleries on the central piers, greatly increases the power requirements at these elevators, and as power can no longer be supplied from the main railway power station on account of greater power requirements for the operation of the railways, it is necessary to establish a new sub-station in the vicinity of Elevator No. 1, for 12,000-volt service to take care not only of the additional requirements above described, but also to provide for increased power and lighting service in general in this section of the harbour.

The estimated cost of erecting and equipping the station amounts to $130,000.

Total for grain elevators, $3,155,000.

H—SUNDRIES

1.—Paving—Consequent upon the completion of numerous authorized items of construction the following items of paving have to be provided for:—

Victor Street, Berri Street and Victoria Pier ramps	$30,000
High level roadway between Berri and Victor street	13,000
New wharf from Shed No. 27 to Delorimier Ave.	22,000
Papineau Avenue Ramp	7,000
Aylwin Street subway and new Ramp.	15,000
Total for paving	$87,000

2.—Water mains and drains. Following upon the completion of authorized items of construction, the following extensions to the water supply and drainage system are necessary:—

Extension of water main from Papineau Avenue to Fullum Street, including hydrants	$28,000
Drains from Papineau Avenue to Fullum Street	10,000
Drainage at Aylwin Street subway	2,000
Total for water mains and drains.	$40,000

Wharf lighting, $15,000.

The above sum provides for the extension of the Harbour lighting system, mainly in the vicinity of the new harbour development at Maisonneuve, between Sections Nos. 43 and 53.

Total for sundries, $142,000.

PRIVATE BILLS

SECOND READINGS

Bill M2, an Act to incorporate the Quebec Occidental Railway Company.—Hon. J. H. Ross.

Bill P2, an Act respecting the Commercial Travellers Mutual Insurance Society.—Hon. Mr. Haydon.

DIVORCE BILLS

FIRST, SECOND AND THIRD READINGS

Bill S2, an Act for the relief of Amy Humphrey Lowe.—Hon. Mr. Willoughby.

Bill T2, an Act for the relief of Erik Herman Delling.—Hon. Mr. Willoughby.

Bill U2, an Act for the relief of Samuel Stanley McNeely.—Hon. Mr. Willoughby.

Bill V2, an Act for the relief of Edna May Stevens.—Hon. Mr. Willoughby.

Bill W2, an Act for the relief of Beatrice Maud Cammell.—Hon. Mr. Willoughby.

Bill X2, an Act for the relief of Stanley Moorhouse.—Hon. Mr. Willoughby.

Bill Y2, an Act for the relief of Blanche Evelyn Parkinson.—Hon. Mr. Willoughby.

Bill Z2, an Act for the relief of Lillian Franklin Boddy.—Hon. Mr. Willoughby.

Bill A3, an Act for the relief of Ninna Louise Bryant.—Hon. Mr. Willoughby.

Bill B3, an Act for the relief of John Thomas Fray.—Hon. Mr. Willoughby.

Bill C3, an Act for the relief of Cornelia Mosca Cristoforetti.—Hon. Mr. Willoughby.

Bill D3, an Act for the relief of Florence Emaline Hind.—Hon. Mr. Willoughby.

Bill E3, an Act for the relief of Dorothy Helen Elliott.—Hon. Mr. Willoughby.

Bill F3, an Act for the relief of Myrtle Blanche Weeks.—Hon. Mr. Willoughby.

Bill G3, an Act for the relief of Dorothy Olinda Tew Phillips Lawson.—Hon. Mr. Willoughby.

Bill H3, an Act for the relief of Nelson Douglas Longfield.—Hon. Mr. Willoughby.

Bill I3, an Act for the relief of Susanah Ivy Y. Cave.—Hon. Mr. Willoughby.

Bill J3, an Act for the relief of James Arthur McNish.—Hon. Mr. Willoughby.

Bill K3, an Act for the relief of Elizabeth Maud Maitland.—Hon. Mr. Willoughby.

Bill L3, an Act for the relief of Agnes Seeds.—Hon. Mr. Willoughby.

Bill M3, an Act for the relief of James Sharkey.—Hon. Mr. Willoughby.

Bill N3, an Act for the relief of Lawrence Raymond Sinclair, otherwise known as Lawrence Reginald Sinclair.—Hon. Mr. Willoughby.

Bill O3, an Act for the relief of Ruby Pearl Northam.—Hon. Mr. Willoughby.

Bill P3, an Act for the relief of Leila Beecher Smith Kerman.—Hon. Mr. Willoughby.

ADJOURNMENT OF SENATE

Hon. Mr. DANDURAND: Honourable gentlemen, I move that when the Senate adjourns this evening it do stand adjourned until Wednesday, 9th March, at 8 p.m.

The motion was agreed to.

THE ROYAL ASSENT

The Hon. the SPEAKER informed the Senate that he had received a communication from the Governor General's Secretary, acquainting him that the Right Honourable F. A. Anglin, Acting as Deputy of the Governor General, would proceed to the Senate Chamber to-day at 5 p.m. for the purpose of giving the Royal Assent to certain Bills.

The Senate adjourned during pleasure.

The Right Honourable F. A. Anglin, the Deputy of the Governor General, having come and being seated at the foot of the Throne, the House of Commons having been summoned, and being come with their Speaker, the Right Honourable the Deputy of the Governor General was pleased to give the Royal Assent to the following Bills:

An Act to amend the Special War Revenue Act, 1915.

An Act respecting the Grand Trunk Pacific Railway Company, and respecting the Canadian National Railways.

An Act to incorporate a National Committee for the celebration of the Diamond Jubilee of Confederation.

An Act for granting assistance to the Royal Agricultural Winter Fair Association of Canada, at Toronto, Ontario.

An Act to provide for a loan to the Harbour Commissioners of Montreal.

An Act for granting to His Majesty certain sums of money for the public service of the financial years ending respectively the 31st March, 1926, and the 31st March, 1927.

An Act for granting to His Majesty a certain sum of money for the public service of the financial year ending 31st of March, 1927.

The House of Commons withdrew.

The Right Honourable the Deputy of the Governor General was pleased to retire.

The sitting was resumed.

The Senate adjourned until Wednesday, March 9, at 8 p.m.

THE SENATE

Wednesday, March 9, 1927.

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

Prayers and routine proceedings.

PRIVATE BILLS

FIRST READINGS

Bill 41, an Act to incorporate Columbia Life Assurance Company.—Hon. Mr. Crowe.

Bill 71, an Act respecting the Alberta Railway and Irrigation Company.—Hon. Mr. Buchanan.

Bill 72, an Act respecting a certain patent of Enos Henry Briggs.—Hon. Mr. McMeans.

Bill 73, an Act respecting the Canadian Pacific Railway Company.—Hon. Mr. Willoughby.

Bill 75, an Act respecting the Essex Terminal Railway Company.—Hon. Mr. McCoig.

Bill 77, an Act respecting the Manitoba and North Western Railway Company of Canada. —Hon. Mr. Watson.

ST. REGIS ISLANDS BILL

FIRST READING

Bill 55, an Act to provide for special control by the Superintendent General of Indian Affairs of certain islands in the St. Lawrence river, being part of St. Regis Indian reservation.—Hon. Mr. Dandurand.

INDIAN ACT AMENDMENT BILL

FIRST READING

Bill 56, an Act to amend the Indian Act.—Hon. Mr. Dandurand.

SOLDIER SETTLEMENT BILL

FIRST READING

Bill 61, an Act to amend the Soldier Settlement Act, 1919.—Hon. Mr. Dandurand.

OLD AGE PENSIONS BILL

FIRST READING

Bill 70, an Act respecting Old Age Pensions. —Hon. Mr. Dandurand.

DISSOLUTION OF FIFTEENTH PARLIAMENT

MOTION FOR RETURN—POSTPONED

Hon. Mr. TANNER moved:

That an Order of the House do issue for a return of a copy of the order in council with reference to a dissolution of Parliament mentioned in the letter dated Ottawa, June 28, 1926, written by Rt. Hon. W. L. Mackenzie King, Prime Minister, to His Excellency Baron Byng of Vimy, at the time Governor General of Canada.

Hon. Mr. DANDURAND: The honourable gentleman in his motion refers to a letter dated Ottawa, June 28, 1926. Is it a letter which has been laid on the Table of this House?

Hon. Mr. TANNER: It is a letter that was brought down in another place. It is a matter of record.

Hon. Mr. DANDURAND: My honourable friend refers to a document which has not come before us. Will he allow his motion to stand, so that we may see whether it is in order?

Hon. Mr. TANNER: Surely.

The motion stands.

The Hon. the SPEAKER.

DIVORCE APPLICATIONS

STATEMENT

Hon. Mr. WILLOUGHBY: Honourable gentlemen, I desire to present in a few words a statement with reference to the proceedings of the Divorce Committee up to date:

Notices in Canada Gazette of intended applications for divorce, 210.
Petitions presented in Senate, 162.
Petitions heard and recommended, 77.
Petitions heard and rejected, 3.
Petitions partially heard, 9.

DIVORCE BILLS

FIRST READINGS

Bill Q3, an Act for the relief of Dorothy Helen Murray.—Hon. Mr. Willoughby.

Bill R3, an Act for the relief of Lotta Maria McGregor.—Hon. Mr. Willoughby.

Bill S3, an Act for the relief of Harriett Louisa May MacCarthy.—Hon. Mr. Willoughby.

Bill T3, an Act for the relief of Adelaide Mildred Maguire.—Hon. Mr. Willoughby.

Bill U3, an Act for the relief of Dmytro Pushkedra.—Hon. Mr. Willoughby.

Bill V3, an Act for the relief of Muriel Helen Louise Dunn.—Hon. Mr. Willoughby.

Bill W3, an Act for the relief of William Henry Poultney.—Hon. Mr. Willoughby.

Bill X3, an Act for the relief of Cecil Chester Richardson.—Hon. Mr. Willoughby.

Bill Y3, an Act for the relief of Bertha Amelia Bertelet.—Hon. Mr. Willoughby.

Bill Z3, an Act for the relief of James Edward Barnaby.—Hon. Mr. Willoughby.

Bill A4, an Act for the relief of Evelyn May Bateman.—Hon. Mr. Willoughby.

Bill B4, an Act for the relief of Fannie Louise Dance.—Hon. Mr. Willoughby.

Bill C4, an Act for the relief of Sarah Simpson.—Hon. Mr. Willoughby.

Bill D4, an Act for the relief of Percy Compton.—Hon. Mr. Willoughby.

Bill E4, an Act for the relief of Hazel Green Anderson.—Hon. Mr. Willoughby.

CANADA EVIDENCE (BANK BOOKS AND RECORDS) BILL

FIRST READING

Bill F4, an Act to amend the Canada Evidence Act as respects Bank Books and Records.—Hon. Mr. Dandurand.

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

THE SENATE

Thursday, March 10, 1927.

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

Prayers and routine proceedings.

SENATE CONSTITUTION AND APPOINTMENTS

INQUIRY

Hon. Mr. McMEANS inquired of the Government:

1. If any promise, or pledge, whether written or verbal, is required by the present Government from any appointee, or proposed appointee, to the Senate, of any nature or kind whatsoever.
2. If any understanding exists between the Government and any appointee, or proposed appointee, to the Senate, as to the future course such appointee shall take in regard to any proposed change in the Constitution of the Senate.
3. If any promise or pledge of any kind whatsoever, whether written or verbal, has been given by any appointee to the Senate to the present Government, as to the future course which the appointee shall take in regard to any measure affecting the Senate.

Hon. Mr. TANNER: inquired of the Government:

1. Did the Prime Minister, Right Hon. W. L. Mackenzie King, make the following statement while addressing a public meeting in the City of Regina, in Saskatchewan, in August last (about August 17 or 18), which statement was published in the newspaper known as the Regina Leader, on August 18, 1926, in the following words:

"In appointing members of the Senate I have exacted an undertaking from the appointee that when the Liberal Government brought in a measure of Senate reform he would support that. Every Liberal appointed to the Senate has given that undertaking."

2. Who is the member of the Senate who first gave the Prime Minister such an undertaking; and when was it given?
3. What are the names of other members of the Senate who have given such an undertaking; and when, respectively, were the undertakings given?
4. Are the undertakings or any of them in writing and signed by the members of the Senate giving them?
5. What is the language in which such undertakings respectively are given, orally or in writing?

Hon. Mr. DANDURAND: I have an answer for the honourable gentleman from Winnipeg (Hon. Mr. McMeans), and I would ask leave to answer the other question, put on the Order Paper by the honourable gentleman from Pictou (Hon. Mr. Tanner), at the same time.

The policy of the Liberal party on the question of Senate reform was proclaimed officially at the last two general elections by the Leader of the Liberal party, the present Prime Minister.

The question generally asked of the members recently appointed to this Chamber has borne upon their views concerning the question of Senate reform.

As members of the Liberal party and adherents to its policy, they have not hesitated to declare that they were favourable to a reform of the Senate which would bring this Chamber nearer the modern and democratic conception of a second Chamber, with the clear understanding that said changes would be introduced and carried on in conformity with the requirement of the constitution.

Hon. Mr. SCHAFFNER: A good strong constitution.

Hon. Mr. CASGRAIN: Respecting vested rights.

Hon. Mr. McMEANS: Does the honourable gentleman think that is a complete answer to the question on the Order Paper?

Hon. Mr. DANDURAND: I think so.

Hon. Mr. McMEANS: I asked whether any promise had been given, written or verbal.

Hon. Mr. DANDURAND: I may say that the questions asked were mainly oral.

Right Hon. Sir GEORGE E. FOSTER: Would it be too much to ask that the pledged members rise?

CANADA'S RAILWAY PROBLEMS

INQUIRY AND DISCUSSION

Hon. G. D. ROBERTSON rose in accordance with the following notice:

That he will call the attention of the Government to certain matters affecting Canada's transportation activities and problems, and will inquire of the Government whether or not it has any definite policy in relation thereto, and if so, will ask that it be publicly declared.

He said: Honourable gentlemen, this notice was placed upon the Order Paper for the purpose of bringing to the attention of the House and to others, I hope, who might be interested in the subject, some points of importance touching transportation problems and activities that I think ought to be considered at this time, when our friends of the Board of Railway Commissioners are engaged in the very difficult and delicate task imposed upon them by Order in Council last year.

Perhaps a word or two reminiscent of Canadian railway activities might be of assistance in forming a conclusion. I would first call attention to the outstanding fact that probably no country in the world has increased its steam

railway mileage in proportion to its increase in population to such an extent as Canada has. If we look back to 1870 we find that there were then 2,270 miles of railway in this country, and that there was a population of something over 3,000,000. Coming to 1925, we find that we had 42,600 odd miles of railroad, with a population of 9,000,000. In other words, while our population increased three times, our railway mileage increased twenty-one times. That is one of the fundamental difficulties that have brought in their wake many other problems which are now confronting the Canadian people and Canadian railways.

As time went on, efforts were made to bind together the various provinces of Canada that had entered into a bond or agreement known as the Pact of Confederation. In order to fulfil the destiny intended by the Fathers of Confederation, it was necessary to bind together all parts of this Dominion by railroads. The State undertook the building of a transcontinental railway, but failed, and subsequently private interests, private initiative and vision succeeded.

Later on, when that great venture was emerging from the experimental stage and developing into a success, other far-sighted, energetic men thought there was room for more railroads, and I think it is true that it began to be whispered about among the people, especially in Western Canada, where great development was occurring, that competition was the life of trade and that competition in railroads was absolutely essential to the well-being of the people. It was not very long until the people who were fed and taught that propaganda came to the conclusion that there must be competition, and the building of other railways began, with the result that there was an epidemic of railway construction, which went on until 1912 or 1913, when it slowed up.

Some criticism has been levelled at the original railroad in Canada because of the assistance that was given to it in the way of lands and other concessions. I may point out to all interested that this is not at all unusual; that it has occurred on the North American continent wherever it became necessary to penetrate unsettled sections of the country by railroads for the purpose of colonizations. I took occasion when in Washington not long ago to ascertain what had happened in that country with regard to its railways extending from the Missouri Valley to the Pacific Coast. I found that between 1860 and 1897 no less than 195,000,000 acres of land, an area five times as large as the State of Pennsylvania, had been handed over to railroads as subsidies for building in a country comparable to that through which the railways of this country built, and in addition to that there was record of $67,000,000 of cash subsidies, and there may have been more.

So we find that our transportation systems have been built up, in the first place, by grants of large tracts of land which were at the time valueless, but which, by the time other systems came along to provide that competition, so necessary to the welfare of the people, had acquired a substantial value. The other railroads thus found themselves in posstssion of lands far more valuable than those granted to the pioneer railroad of this country.

Coming to a later date, we find that about 1902 or 1903 the Parliament of Canada, realizing that there should be some governmental control over the activities of our transportation companies, of which there were several at this time, and which were developing into large concerns, passed the Railway Act and established the Board of Railway Commissioners to exercise some supervision over railway affairs, the rates charged for public service, the equipment used, and the safety of the public and of employees. For some seventeen years, down to 1921, the operations were automatic. Every complaint that the public had was taken to the Board of Railway Commissioners if it was otherwise impossible to adjust it satisfactorily, and the judgments and decisions of that honourable body possessing judicial powers, came to be respected, and public confidence in it grew from year to year. Public confidence had become so implicit that the people would accept without question almost any statement that might emanate from the Chairman of the Board of Railway Commissioners. But in 1921 a tragedy occurred, affecting a large number of people in this country. I want to refer to it specially because in my opinion it is the basis of the difficulties and the serious problems that now confront Canadian railroads, and indeed the Canadian Government.

I have said, and I think truly, that during that seventeen year period the confidence of the people in the Railway Commission grew in strength. It so happened that after the war broke out the cost of everything entering into railway operation increased. It was the experience of all citizens that their cost of living increased. Whether a man was operating a factory or a railroad, he had the same experience, and on to 1920 there were substantial increases in the cost of operating all railroads—increases in the wage bill and in the cost of material, equipment, ties, coal, everything that railroads used. During that

period they were of necessity compelled to call upon the powers that be for authority to increase the tolls which they might charge for their services. Increases were granted, which I shall deal with a little later on.

But in April, 1921, not very long after a new Chairman had been appointed to the Board of Railway Commissioners, that gentleman stepped aside from his official duties and stood upon a public platform, and after prefacing his remarks by saying that he probably was out of order in saying that he was going to say, he stated that railway rates were high, but that they could not be reduced. I quote his words as they appeared in the public press under date of April 7th, 1921.

Hon. Mr. CASGRAIN: Hon. Frank Carvell.

Hon. Mr. ROBERTSON: The gentleman who spoke those words was the Hon. Mr. Carvell, and I speak with all respect to his memory, because he is no longer here, and I do him the honour of saying that I believe he was entirely honest in the statements that he made, although I hope to prove that he was absolutely mistaken. That honourable gentleman stepped aside from his position as Chairman of the Board of Railway Commissioners, but with all the prestige of chairmanship, and said:

"Only by dispensing with unnecessary train service, and by reducing wages, can freight rates be brought down. Railways cannot make ends meet on even present high rates if they have to pay such extraordinary wages."

He subsequently referred to the wages as being "unwarranted, unreasonable, wholly indefensible." He pictured Canadian railway employees and the leaders of railway employees as "labour aristocrats," arbitrarily forcing the Canadian railways to adopt United States rates of wages—"holding a gun to the heads of railway companies," as he termed it.

Now, honourable gentlemen, I bring this statement into the discussion for the particular reason that statements publicly made by the Chairman of the Board of Railway Commissioners at that time carried with them such weight as to force their acceptance upon public men and to a large extent form public opinion through the press of this country, so that the public were imbued with the idea that Canadian railway employees were receiving wages that were extravagant, exorbitant, unreasonable and unwarranted, as Mr. Carvell mentioned.

It is my purpose to-day to produce evidence to the contrary, because the time has come when the question of railway freight rates is before the tribunal that must pass upon it, and if it is not properly solved, serious difficulties may arise that will affect all the people of this country. Therefore it is proper and opportune that this matter should receive consideration and that the facts should be laid before you at this time, in order that our duties in that regard may be fulfilled.

Hon. Mr. DANDURAND: I would ask my honourable friend if he does not think that raising his voice in Parliament on this matter is perhaps invading the jurisdiction of the tribunal which will have the duty of settling the question?

Hon. Mr. ROBERTSON: I desire to inform my honourable friend that it is not my purpose to make any argument in connection with the subject; but I do want to place on record certain facts that have a very distinct bearing on operation costs of railways, and directly affect 175,000 railway employees, or indirectly, including their dependents, three-quarters of a million people in this country, who are the pawns in this game. I want the public and Parliament to know what the facts are, so that when judgment is rendered upon this important question, if there is, as there has been in the past, an appeal to Parliament—which is responsible for much of this difficulty—Parliament may be informed of the facts. I think I should not be doing my public duty as a citizen and member of Parliament if I did not bring the facts to the attention of this House.

Hon. Mr. DANDURAND: My difficulty lies in this fact. My honourable friend, who is equipped with certain knowledge because of his training, brings before this Chamber a statement of facts, but it seems to me that it would be his duty as a citizen of this country to bring those facts before the tribunal which would have to pass upon them, and which could also hear whatever answer might be given by the railway authorities; for there are always two parties to a case.

Hon. Mr. ROBERTSON: I would have much sympathy with my honourable friend's view and suggestion were it not for the fact that I purpose to-day to correct statements of a member of the Board of Railway Commissioners who stepped outside his duties and, after apologizing for doing so, made those very statements which have brought into existence the conditions to which I wish to draw attention. I think my honourable friend will not deny me the privilege of saying a word on behalf of three-quarters of a million of people—a privilege at least equal to that of which the Chairman of the Board of Railway Commissioners himself took advantage, though

he stated at the time that he was probably out of order. I hope that my honourable friend will concede to me an equal right, because of what has occurred.

Now, I believe that the honourable gentleman made that statement in 1921 in the firm conviction that the railway wage rates of which he then complained were equal to the wage rates paid on United States railroads. But therein he was mistaken, and therein lies most of the trouble that now confronts our railway situation. It is true that in 1918, after an exhaustive inquiry made by a Commission appointed by the President of the United States, a general increase in wage rates was made on all railroads in that country. It is also true that in the same year, by reason of the fact that living costs had rapidly increased since the outbreak of the war, the railway employees in Canada made a general request for a revision of their wage agreement with the railways. Like every other class of citizen, they had hoped from day to day and month to month that the unfortunate war would quickly end, and that their domestic affairs could then be taken care of better than they had been for four years, from the outbreak of the war. The burden had become so great, the purchasing power of their earnings had been so depreciated since 1914, by reason of the increased cost of living, that in 1918 those employees were all in unison, because all were under necessity, in requesting the Canadian railways to improve wage rates.

In July, 1918, the Canadian railways did something that at the time was thought by some to be generous as well as just; but in the light of experience since then it develops that they were very far-sighted, and by doing what they did they not only settled the difficulty at that time, but paved the way for a very great saving in operating expenses in years to come. We find that in April, 1921, when Mr. Carvell made his statement, the average annual wage earned by United States railway employees of all sorts, from presidents to messenger boys inclusive, as shown in the annual reports of the Interstate Commerce Commission, was $1,820.12, while in Canada, in that same year, the average compensation received by all railway employees, from the presidents of the two great railways down to messenger boys, all included, was $1,568.82—a difference of $251.30. This represented the comparative situation for the year 1920, of which the honourable gentleman to whom I have referred was then speaking. If he had known that that was the situation, I do not think he would have made the representations that he did to the Canadian public. It is true that in 1918, and again in 1920, Canadian railways did concede to their employees the same advance in wages as was granted in the United States; but it was not true, has never been true, and is not now true, that Canadian railway employees are paid on the same average standard of wages as are all those of the United States.

Hon. Mr. BELCOURT: Would my honourable friend allow me to ask him a question?

Hon. Mr. ROBERTSON: Certainly.

Hon. Mr. BELCOURT: Do I understand my honourable friend to say that the matter of which he is speaking is now being investigated by the Board of Railway Commissioners? I think he made that statement; I want to be sure.

Hon. Mr. ROBERTSON: Yes, I make the statement that railway wage rates have an effect upon railway operating costs, and therefore are a factor in the consideration and determination of what fair railway rates should be. The question of railway rates now being before the Board of Railway Commissioners, it is proper that this phase of the subject should receive some attention. In view of the fact that the Chairman of the Board of Railway Commissioners in years past did step out and—not intentionally, perhaps—did mislead Parliament, the press and the public of this country, I consider the present an opportune time to set that matter right.

Hon. Mr. BELCOURT: Might I follow that up by another question?

Hon. Mr. ROBERTSON: Yes.

Hon. Mr. BELCOURT: Does my honourable friend not think that he is violating the rule that has always prevailed, that Parliament, or public opinion, shall not be influenced, or sought to be influenced, by discussions in Parliament or in the press in regard to matters which are being investigated by any judicial or quasi-judicial tribunal in the country?

Hon. Mr. ROBERTSON: I do not think so; and if I did, I should be entitled to the same latitude and the same privilege as the Chairman of the Board of Railway Commissioners took in discussing this same subject before the public.

Hon. Mr. BELCOURT: That is another matter altogether. We are not concerned about his duty, but we are concerned about our own. Is Parliament not now carrying on a discussion of a question which is being submitted to it by my honourable friend in

violation of the rule? If my honourable friend can discuss in Parliament a judicial matter which is under investigation by the Board of Railway Commissioners, why can he not to-morrow take up any case that is before the Supreme Court or Exchequer Court in the same way, analyze it, and offer observations? Is he not violating the rule which prescribes that when matters are sub judice they are not to be discussed by other people?

Hon. Mr. ROBERTSON: In reply, may I ask my honourable friend a question? Does he hold that although Parliament itself stepped in and interfered in this matter in 1922, and brought into existence the situation of which I am now complaining, a member of Parliament has not the right to raise his voice in Parliament to discuss the question? I am certainly amazed—

Hon. Mr. BELCOURT: The answer is very plain. Parliament has delegated to the Board of Railway Commissioners the duty of investigating these matters and deciding upon them, and whilst they are performing that duty it is not the business of Parliament to discuss the matter.

Hon. Mr. ROBERTSON: I would observe that Parliament did not delegate this duty to the Board of Railway Commissioners; it was delegated by the Governor in Council under Order P. C. 886 on June 5, 1926, after Parliament had stepped in in 1922 and overridden the decision of the Board of Railway Commissioners with reference to reductions in freight rates. I am discussing a matter that directly affects Parliament, that is the result of an action of Parliament and of the Government, and it surely never occurred to me that I was not in order in discussing so important a public question.

Hon. Mr. DANDURAND: What bothers me is this situation that is being created by the statement of my honourable friend. He will state a case and draw conclusions.

Hon. Mr. ROBERTSON: Yes.

Hon. Mr. DANDURAND: Some other member may controvert his statement, either in fact or in law, but Parliament can make no decision. The body to which we have delegated the power to settle this matter would have to make its own decision. Would it accept or be influenced by a discussion that has taken place in this Chamber, or in the other, as containing arguments that it must weigh? I doubt it. Then is our discussion not somewhat vain?

Hon. Mr. ROBERTSON: But Parliament deprived the Board of Railway Commissioners of that authority of which my honourable friend now speaks, and after Parliament found itself in a muddle as a result of that interference, the Government passed an Order in Council and said: "We unload all this back on the Board of Railway Commissioners." I want to call the attention of Parliament to the result of that action of Parliament and the Government in this important matter, because it affects the welfare of three-quarters of a million people of this country; and I surely think that a free discussion of a question so important ought not to be strangled in the Parliament of Canada.

Right Hon. Sir GEORGE E. FOSTER: I would like to ask a question with reference to the point raised by my honourable friend and colleague (Hon. Mr. Belcourt). Will he quote the rule?

Hon. Mr. CASGRAIN: Hear, hear.

Right Hon. Sir GEORGE E. FOSTER: Will he quote the rule which forbids the discussion in this Chamber, or in the other branch of our Parliament, of a matter affecting the public welfare, simply because the Board of Railway Commissioners has under its consideration, at or about this time, the question of fixing railway rates? Where is the rule? Before we get into a heated state about this, if there is a rule under which we are bound, let us have a reference to it; then we can come to some conclusion. If there is no such rule, we are free to discuss this matter. I am of the opinion that there is no such rule, and that we are not so bound.

Hon. Mr. BELCOURT: Well, I cannot quote any rule. This matter stands on very much the same foooting as do many other things in the British Constitution for which there is no text; but I would appeal to my right honourable friend and ask him if he is not very well aware of the rule that—not in so many words, but for reasons of good government, reasons of propriety and decency, and in order to preserve the impartiality of our courts—prevents the discussion, for instance, of matters which are being investigated by a judicial tribunal like the Railway Commission. I do not think I need cite any text to my right honourable friend to convince him that such is the principle under British institutions. To me this is exactly as if we were discussing an appeal now pending before the Supreme Court of Canada.

Hon. Mr. ROBERTSON: Honourable gentlemen, it is not my purpose, as I stated at the outset, to make an argument for an increase or decrease of freight rates. All I

desire to do is to lay before Parliament the facts concerning a most important and vital matter that has a distinct bearing on that question, and if the Board of Railway Commissioners seek to ignore it entirely, that is their affair. If the Government itself, cognizant of those facts, sees fit to take no notice of it, well and good. But if I were to sit silent now, with a knowledge of those things that I intend to state to the House, and if a serious interruption of transportation services occurred in a year hence as a result of those things not being made known, then I should consider myself guilty of not doing what I ought to have done as a public man in Parliament.

I therefore hope that my honourable friends will not feel that I am attempting to violate any rule, or to trespass on any ground that properly ought not to be travelled upon.

I have stated that I thought the honourable gentleman whom I mentioned as having made a statement that was unfortunately untrue and misleading, did so innocently and honestly, not knowing what the facts were. In the year 1920, prior to the time he spoke, the Canadian railway employees had received an average of $251 less than was paid in the United States, according to the Government records of the two countries on this very subject. These are the only authentic records available and were furnished by the railway companies themselves, in both countries.

As time went on and 1921 arrived, the railroads in the United States said: "The turn in the tide has come." They had been handed back to private ownership and a government tribunal had been appointed to exercise certain jurisdiction in the matter of grievances and complaints that might arise in connection with railway operation. The railways proceeded, because the cost of living had fallen to some extent, to put into effect a reduction in wages averaging about 7 cents per hour, or $170 a year, on every class of railway employees in the country. The Canadian railways followed suit; and herein is revealed what I mentioned a few minutes ago, the far-sightedness of our Canadian railway management. In 1918, and again in 1920, they had voluntarily adopted the policy of the United States, raising the wages of their employees to the same extent, and when 1921 came and the United States railways reduced wages by an average of $170 per year per man the Canadian railways did exactly the same thing. After the American railwaymen had their wages reduced in 1921 by $170 a year each, they were still $85 a year above the average of the Canadian railway employees.

So the Canadian railway employees objected in 1921 to accepting a similar cut, and a serious situation arose here. The railways insisted upon the decrease—and why? Because they had already been hit by some minor freight rate reductions.

Hon. Mr. CASGRAIN: May I ask the honourable gentleman just one question?

Hon. Mr. ROBERTSON: Surely.

Hon. Mr. CASGRAIN: When they raised the wages did they raise the rates proportionately? I will not disturb the honourable gentleman now if he intends coming to that point.

Hon. Mr. ROBERTSON: I can answer that. Perhaps the best evidence of what did occur would be to quote and record the statement of the Canadian Pacific Railway itself. Here is a summary of the case presented by the Canadian Pacific to a Board of Conciliation and Investigation at Montreal on January 3, 1927, wherein the Canadian Pacific Railway refers to exactly what happened during the period which I have mentioned. This answer is not my statement, but that of a responsible railroad. The Canadian Pacific said:

> The Railroad Wage Commission of the United States brought forward the "McAdoo Award" dated May 25, 1918, which brought into effect increased rates of pay to employees on United States railroads and by which was also established the Board of Railroad Wages and Working Conditions, under whose recommendations numerous further supplements to General Order No. 27 were issued, resulting in substantial increases in compensation to various classes of employees by increases in their rates of pay and also by improved working conditions. In order to meet to some extent the heavy increased expenditure of the railroads thereby brought about, freight and passenger rates were increased, but the increased revenue thus secured fell far short of meeting the increased expenditure. In the report of the Railroad Wage Commission referred to, it was made quite clear that the increases recommended were justified largely on the grounds of the increased cost of living.
>
> In 1918—

as I said a moment ago—

> —the employees of the Canadian railways in general also pressed for further increases in rates of pay, and did so with some considerable justification on account of further increased cost of living in this country.
>
> Under the war conditions and the labour situation as it had developed it was arranged in accordance with an order of the Governor-in-Council that the railways in Canada would apply to their employees similar increases in rates of pay and changes in working conditions as were applied to the employees of United States railroads under the terms of the so-called "McAdoo Award," the Government, on

its part, undertaking that the railways would be granted like increases in passenger and freight rates as were applied on United States railroads.

The statement of the Canadian Pacific Railway itself is that it received the same rate increases as did the United States railroads, but that, as stated by the United States Railroad Wage Commission appointed by the President of the United States, the increased rates fell short of meeting the increased wage bill. I think that answers my honourable friend's question.

Hon. Mr. CURRY: May I ask a question?

Hon. Mr. ROBERTSON: Surely.

Hon. Mr. CURRY: Is it not a fact that Canadian wages are nearer the United States level—on the railways than in any other line of business? The difference between the wages paid mechanics, labourers, factory employees and others in Canada and the wages paid similar workers in the United States is very much greater than the difference between the two countries in the wages paid on the railways.

Hon. Mr. ROBERTSON: I am afraid my honourable friend is mistaken in that; for since 1922, or 1921, the period that we are now mentioning, there have been, roughly, half a million Canadian workmen who have gone to the United States because they could get better wages there than here.

Hon. Mr. CURRY: That is just what I say.

Hon. Mr. ROBERTSON: As I will show in a little while, the railway employees in Canada are the only class whose wages have not kept pace with the increase in wages in industry of all sorts, or with the increase in the cost of living.

I think I have made it clear that railway employees' wages in Canada have never been on a par with those in the United States. The latest comparable records in the two countries are for the year 1924. The Interstate Commerce Commission's Report for 1925 was supposed to be out in February 1927, but I have not seen it yet. At the end of 1924 the differential was still two hundred and one dollars and some cents. In order that honourable gentlemen may clearly understand the difficulties of Canadian railway employees I would point out that for the year 1924, according to the Canada Year Book, in which the record will be found at page 597, the average compensation of Canadian railway employees, from President to call boy inclusive, was $1,411.85, and they worked on an average of 2,440 hours in that year, their earnings amounting to 57.7 cents per hour, or nearly 3 cents an hour less than the city of Toronto in the same year paid its street labourers. That average of 57.7 cents an hour represented the earnings of railway employees of every class. In the same year 127 railway employees in Canada yielded up their lives in the service, and 8,662 suffered injuries serious enough to be reported to the Board of Railway Commissioners. Railway employees, engaged in a hazardous occupation, in all sorts of weather, day and night, bearing the responsibility that they as a class do bear, and requiring to possess a degree of experience, intelligence and ability quite equal to what are required in other occupations, receive for their services, on the average, less than our modern cities pay their street sweepers.

It may be said that it is unfair to make a comparison as between Canadian railways and American railways, as conditions are not similar. I grant you they are not. The Canadian railway employee must have a warm house, must buy more coal and pay more for it than the average man in the United States. He must wear more clothing because of the colder weather in Canada. Our Canadian railways are in a similar position; for the running of a freight train at 20 or 25 degrees below zero is far different from the running of it at 25 degrees above zero, which is about the average winter temperature in the United States. Therefore both Canadian railway employees and Canadian railways find themselves in an equally difficult situation in that respect.

Having made a comparison between Canada and the United States, so far as railwaymen are concerned, I want to draw another conclusion. Surely it must be granted that Canadian railway employees are entitled to an increase in compensation at least equivalent to the increase in the cost of living during the period since the beginning of the war. Surely it is fair to suggest that, the average earnings in 1914 having been less that $900, what was then the purchasing power of that annual compensation ought at least to have been maintained since that date. But what are the facts? Turning to the records of our own Government, we find that in 1913 the Department of Labour set up a standardization principle in the form of index numbers by which the fluctuation in wages and in the prices of some 250 articles were to be tabulated, and of which a record was to be kept from that time on. I will not give you the

fluctuation for each year, but with your permission will have it placed upon Hansard.

	Wage Fluctuations 1913-1926	Cost of Living Fluctuations 1913-1926
1913..	100	100
1914..	101.7	103
1915..	101.7	107
1916..	101.9	124
1917..	110.1	143
1918..	133.2	162
1919..	154.2	176
1920..	186.6	191
1921..	165.3	162
1922..	153.1	158
1923..	157.4	159
1924..	157.4	156
1925..	157.4	160
1926..	158.9	157

The cost of living rose much more rapidly than wages. We find that in 1914 the railway wage level was 101.7, and the cost of living 103; that in 1916 the railway wage level was 101 and the cost of living 124. During the war Canadian railway employees enlisted early, or worked at home, and they asked nothing from anybody, hoping that when the struggle was over they could settle their domestic affairs. In 1918, when at last they unanimously asked for some relief from the serious situation which confronted them, the wage level was 133 as against a cost of living of 162. So, taking the period from 1914 to 1926, the situation is this: the cost of living advanced in excess of wages by 9.2 per cent on the average over the entire period. Nine per cent of $1,411 the average annual wage of railway employees in Canada in 1924—which, by the way, is the lowest post war year, and therefore the fairest to take for illustration—is $156.87 per year per man less than he would be entitled to by the increase in the cost of living. In other words, the total paid was $26,667,000 a year less than was required to equalize the employees' purchasing power. If it is conceded that railway employees' wages were fair in 1914, and that they should have received a wage adjustment equal to the cost of living increase, then there was due as of December 1, 1926, the rather large sum of $346,600,000, or $2,039.31 per employee. Yet the people of this country have been honestly in large part, I believe, of the opinion that the incomes of railway employees were exorbitant and excessive and so on, as I have quoted.

Passing that by, I may say that it is a little difficult to maintain a parity between the wage rates and the fluctuation in the cost of living, and therefore, perhaps, the comparison is not entirely accurate. But surely there is one comparison which it will be admitted is fair. Surely every person in Canada will agree that the wages of Canadian railway employees ought to rise in keeping with and in sympathy with the rise in wages of industrial workers of all classes, living in the same country alongside of them. Let us see what a comparison on that basis would show.

The Department of Labour has since 1901 kept an accurate record, by industries, of the fluctuation upwards or downwards of the general wage situation. The industries of the country are divided into nine classes. Over the period of years from 1914 to 1926 we find an accurate picture of the situation, affecting 1,013,490 employees, as reported by employers. From 1913 to 1926 the average rise of wages of all these classes, covering, as I have said, over 1,000,000 men, was from 100 to 178, or an increase of 78 points. Steam railway employees alone fall short of the average, their increase during that period being from 100 to 158. The index number of the metal trades, comprising 110,000 men, rose to 209; that of electric railway employees to 194; the figure for common factory labour, in large part unorganized, rose from 100 to 215; for miscellaneous factory labour the figure rose to 216; for logging and saw mill men it rose to 202; and for coal miners to 197. So steam railway employees alone, according to the Government's own record, were the only class that fell short of the average among over a million workers who go to make up the nine different classes, and the steam railway employees are 17 points below the average, or 9.2 per cent.

Now, applying that statement to the situation, what do we find? We find that the average earnings of the eight principal classes of industrial workers named rose from 100 in 1913 to 182 in 1926; that the average earnings of railway employees rose from 100 in 1913 to 158.9 in 1926, or 23 points below the average of all other employees.

Again, to use the low year of 1924 as a basis of comparison, proves that railway employees' increases in wages from 1913 to 1926 average $335 per man per year less than the average increases received by all the other classes of workers named. This totals $57,000,000, which is the amount that railway employees might properly claim for the past fourteen years, but have not received. That is a startling statement, but I know it is a true statement. I think it is right that the people should know the facts, and I believe that Parliament will pardon me for having the temerity to bring this matter to its attention at this time.

To compensate steam railway employees on the same basis of proportionate increase as

other classes enumerated, numbering about 850,000, for the period mentioned, would cost our railways the tidy sum of $741,000,000, or $4,358 per employee. That indicates to you the situation of these men in comparison with other classes of labour in Canada.

Now, honourable gentlemen, that brings us down to 1924. What has happened since then? In the United States in 1924, after the railways were turned back to private ownership, there had to be a new deal, and certain basic principles were laid down by the Interstate Commerce Commission in that country, a body similar to our Board of Railway Commissioners, but having greater powers. What proposition did the Interstate Commerce Commission lay down to govern the general operation of railways? First and foremost they said the American railways must pay an adequate wage rate to employees. That was the first charge against the properties; that was the first charge to be met. Next they said that the railways must be kept in a good state of repair, that the physical condition must be maintained at a standard that would ensure safety in the handling of traffic. Then they said the equipment must be kept up to a certain standard which they laid down, and after that they said that investors in United States railroad securities were entitled to something, and should receive 5¾ per cent upon the capital actually invested in the property —not upon the capitalization—and that when that was all paid it was time enough for them to consider whether there should be any adjustment of freight rates either upwards or downwards.

Hon. Mr. DANDURAND: Did they decide what an adequate wage rate was?

Hon. Mr. ROBERTSON: They did not assume to do that, but the Congress of the United States, on the recommendation of the President, who acted upon the joint recommendation of all the railroads in the United States except twenty, and every organization of railway employees, decided that a law should be passed in order that these things might be properly determined, and I will gladly give my honourable friend a little idea of just what was done in that conection.

The United States Railroad Labour Law, which became effective in May 1926, provides, first, that there shall be set up by mutual agreement, either on individual railroads or on groups of railroads, as the employees and the management may agree, boards of adjustment to which shall be referred disputes which an individual carrier and its workmen may not be able to settle. If they fail to agree, the law requires that no change shall take place in conditions until the United States Board of Mediation has been notified of the situation and has sent mediators on the ground. An investigation is made, and if the parties cannot be brought to a mutual agreement, it is the duty of the mediators to urge them to agree to adjust their differences by arbitration, the finding of which is binding upon them both under the law.

The Interstate Commerce Commission say: "Wage disputes are outside our jurisdiction. There is a law laid down for the governing of such matters. All we say is that the wage should be adequate and fair." You will note, however, that wages are the first charge against the railroad earnings.

Now, I have pointed out, I hope with some degree of clearness, the fact that Canadian railway employees in 1924 were receiving on an average $201 a year below what similar workers were receiving in the United States. They were not satisfied with that. And why? Let me tell you one of the reasons why. In 1921, after the cut was made in the United States, Canadian railways demanded a similar decrease in wages here, and the employees objected for the reason that the average rate in the United States, even after the men had accepted their decrease, was still $85 a year above the rate here. But great pressure was brought to bear upon the men by the railways. Freight rates were being reduced upon the railways; it was argued that conditions were such that the men should bear part of the burden, and they did, and in 1921 the railway employees of Canada accepted an average reduction of seven cents per hour, amounting roughly to $28,000,000 a year. They handed back to the railroad $28,000,000 a year as a token of their good faith and willingness to co-operate and help to meet the situation that faced Canada at that time. We all know that the volume of traffic fell off, and that revenue was falling off in proportion.

Now, what happened that $28,000,000 handed back at that time, and the same amount which was handed back every year since then, but which might have been retained had the men arbitrarily insisted upon retaining what in equity and justice they had a perfect right to retain? During the following session of Parliament the Government had a majority of only one in the other House. It was not a working majority. The Government, trembling every day lest something serious should happen, found itself swooped down upon by a certain interest in Canada, which is strong in the West, and which demanded on certain commodities a

drastic reduction in freight rates and railway revenues. Probably unable to resist the pressure, the Government was stampeded, I believe, and on July 1 of that year, owing to force of circumstances, the Government and Parliament—and I am not blaming the Government particularly, because the matter was discussed here by everybody—automatically let the Crow's Nest Pass agreement come into force again; the $28,000,000 a year which the railway employees had turned over to help the situation was handed back to the farmers of the prairie provinces; and since that time 175,000 railway employees have every year been paying approximately $150 each into the pockets of the 220,000 farmers of the prairie provinces.

That is the way the railway employees view the situation. They feel that the action of Parliament has brought about this crucial condition. They carried on until 1924, when certain of the train service employees in Canada felt they had suffered under this handicap long enough. United States trainmen and conductors in the eastern territory, that is, all the area north of the Ohio and east of Chicago, in which a very large number of employees reside, received a very substantial increase in pay. The Canadian employees in similar classes asked the same consideration and were denied it. The railway companies argued that freight rates had been reduced 22 per cent while in the United States they had come down only 10 per cent, and that it was impossible for the railways in Canada to meet the men's demands.

That followed a request of the C.P.R. Telegraphers, and the same argument was made before a board of conciliation.

The situation continued through 1924 and 1925, because conditions were bad and the revenues of our Canadian railways had fallen $31,000,000. It was not until September 1925 that the tide turned and since that time there has been a constant and satisfactory improvement. Realizing the seriousness of the situation, as they were good, loyal citizens of this country, trying to do their part, they remained quiescent during 1925. In 1926 they came forward, large numbers of them, running into many scores of thousands, and all were turned down. All were told that wages could not be increased because of this rate situation. I do not mind quoting the words of the railway companies themselves, so that the House may know that this is not hearsay, or a statement of my own. On September 4, 1926, to a committee representing 36,000 men employed in the railway shop trades on all railroads of this country, that is, the two large roads and some smaller ones, this representation was addressed in writing:

> The railways' returns per unit of service rendered to the public have shown marked decrease in recent years under the various reductions in their passenger and freight rates, particularly the latter, made effective under orders of the Board of Railway Commissioners and by legislation.
>
> Under conditions as they exist in Canada today, this is pre-eminently the time when the employees of Canadian railways should be prepared to consider the question of their rates of pay on the basis of conditions as they exist in Canada.

I ask, is it not true, has it not been made abundantly clear here, that the Governments ever since 1921 had been creating that very situation. The employees were fast coming to the point where they felt that while they had every sympathy for the situation in which the railways found themselves—and thousands upon thousands of the railway employees in Canada do not blame the railway management for the situation with which they are now confronted—they did blame Parliament for the situation thus created. I cannot blame the Government, because the difficulty in which it found itself resulted from the parliamentary situation that existed, when a little tip either way would keep it in or throw it out; but Parliament itself submitted to that situation, and brought about those conditions which have ever since preyed upon these men, and have cost them several hundred millions of dollars since 1920. They are now rapidly approaching the stage where, as they say, patience ceases to be a virtue. The time has come when some remedy must be found, and they point to the fact that under this law in the United States, though the railways are objecting to it, mediation proceedings are being undertaken and in a large number of cases are succeeding, and where these fail arbitration is being indulged in.

In November last year we very nearly had a tie-up of transportation on our two big railways, by trainmen and conductors. Why? Because at that time they were receiving six per cent less wage than was paid on all railways on comparable territory in the United States, and that had continued since 1924. American Railways running right into the cities of Montreal and Hamilton were paying six per cent higher wages than comparable employees on our railways received, and they said: "That is not right." Finally, under substantial pressure, they obtained an adjustment which netted them about five per cent increase; and within 24 hours of the time that agreement was made, in what is known as the eastern territory, covering all the area from

the Ohio River and east of Chicago, more than 33,000 conductors and trainmen received, by arbitration, 7½ per cent increase over what they had before; so that the comparable situation now is worse than it was before this development of last November.

Since that time, only the other day, an arbitration on the Boston and Maine Railway, which touches Canadian territory, granted over 1,000 railroad clerks an increase of 5 cents per hour. Right here in Montreal, in connection with this very passage from which I was reading a while ago, 4,000 odd clerks on the Canadian Pacific Railway were unable to get an adjustment, because of the reason given by the company in the statement on rates which I have just read, and to-day they are sitting in conference with the Vice-president of the C.P.R., the company having refused to put into force the majority findings of a Board of Conciliation which investigated that trouble. And what do the company say is the trouble? They say the reason is that their revenues will not allow them to grant the increase because they are allowed to collect 12½ per cent less than is paid for the same service on American roads.

Therefore the question comes right home to this Parliament and the Government of Canada—no matter what Government it may be—to take recognition of this situation, and to see that something is done to remedy it. Otherwise unfortunate and unforeseen difficulties may arise. I felt that it was proper, under such circumstances, and in view of these facts, to bring these matters to the attention of Parliament, because, after all, the Government has seen fit in the past to override the decisions and views of the Board of Railway Commissioners. Rumour has it that this has been done on several occasions. I am not prepared to say what may be done, and I do not intend to prophesy, but I do assert that if the Government cares to intervene in any way, or to let its views be known, it is proper that the Government should be in possession of the facts.

Furthermore, I respectfully suggest this—and it is the meat of my inquiry—that the Government of Canada, I do not care what Government it may be, ought to have some definite policy on so important a matter as our steam railway transportation. For 17 years, from 1904 down to 1921, there surely was a well-defined and well carried out policy; namely, a tribunal known as the Board of Railway Commissioners was established and given certain powers, and was never interfered with. By the wise and careful exercise of those powers, by giving everybody a courteous hearing and dealing with all matters submitted to it on their merits, that Board grew in the confidence of the public. Until 1921 it was regarded as being an ideal body. Then, by reason of the action of Government and Parliament in 1922 in interfering with freight rates and overriding the decision of the Board, what happened? Immediately there were a dozen different interests that came to the Government, and not to the Railway Commission, and said: "We also want reductions in rates." Provincial Governments, and large interests of various sorts in different parts of the country, made appeals, until the Government found these influences pressing down upon it with such force that it was absolutely obvious to everyone that no Government could attempt to deal intelligently with such questions. There is no more intricate and delicate task in any country, especially a country the size of this, with all its varied interests and differing locations, than that of establishing a structure of freight rates that is fair and equitable to every interest and every locality. It is utterly impossible to say: "We are going to equalize these." If you put an equal rate on the same product in every part of the country, any railway tariff expert would very quickly disabuse your mind of such a plan having any virtue. So it was necessary that this matter should be referred again to the Board of Railway Commissioners, as was done by P.C. 886, in June, 1926, and the Government practically said: "The wind is too strong for us: now we will turn all this matter back to the Board of Railway Commissioners, after we have made a lovely mess of it."

The Railway Commission were then bombarded. They received over a hundred submissions by interested parties wanting to equalize freight rates, and in every last case of that hundred a downward revision is asked for. The Board of Railway Commissioners to-day have their backs against the door and are I hope endeavouring to do justice to all interests in Canada in working out a revised freight rate structure.

In view of all that has occurred it seems to me to be an absolute necessity now to ascertain whether or not the Government has any definite policy that it intends to follow in connection with this matter for the future; and I think the people of Canada are waiting to hear something along this line. Is the Government prepared to adopt something definite, based on sound principles such as those which I have mentioned as having been adopted in the United States, and which are working with such satisfaction? Is it prepared to say to the people of Canada that

it is going to keep its hands off and not interfere with the Board of Railway Commissioners, but give them full power and make them responsible for their own actions? If so, let us have an announcement to that effect; let the Government make it clear to the people that there is not going to be any more of this tampering that has brought about such distress, such instability, such chaos as we have had during the past four or five years. It has become almost a national sport to appear before the Railway Commission and demand some kind of decrease in one rate or another. I read, a few days ago, of a case where a certain solicitor got $700 a day in fees for coming down and putting up a tirade against the Board of Commissioners in the matter of freight rates.

Somebody, and it ought to be the Government, should meet this situation, and stand out prominently before the people and say that there is no country in the world that is so dependent upon its steam railway facilities for the proper conduct of its business, and for public welfare, as is Canada. No other civilized country in the world has so large a mileage in proportion to its population. Therefore it is an absolute economic necessity that rates should be fixed that will meet these necessary charges: first, a reasonable, indeed an adequate, wage for the men who render the service; second, what is required to maintain the physical condition of the railroads, and also their equipment, at a proper standard; and likewise a reasonable return, say 6 per cent, to the people in this country who 50 years ago had faith in Canada and invested their capital, in many cases their all, in railway securities. Having accomplished these things, let the Government tell the Railway Commission to regulate freight rates in accordance with requirements after those already mentioned have been met.

I submit to the Government that that would be a sensible policy to announce. I hope that my honourable friend who leads the Government in this House will attempt to give us some definite reply, and on behalf of the Government that he represents here, outline a definite policy that will set at rest this confusion that has existed in the railway world for the past five years.

Hon. J. P. B. CASGRAIN: Honourable gentlemen, I took notes as the honourable gentleman was going on. He started away back in 1870, when, as he said, we had 2,000 miles of railway and a population of 3,000,000, and he showed how the mileage had increased. That is quite right, but what he said has happened in every country. In 1870, 57 years ago, railways were commencing to be built in every country, so that is nothing very wonderful. That we built too many railways is another matter. The honourable gentleman told us that we had a much greater mileage in proportion to population than any country in the world; which was quite right. He might have told us, also, that in Canada we have a mile of railway for a little over 200 people, while in the United States they have a mile for over 400 people—twice the number—and naturally those employees are expected to do a great deal more work and get much greater returns on the railways.

All through the honourable gentleman's speech—which lasted, by the clock, an hour and a quarter—there was a constant turning to Washington or to the United States, to refer to the conditions that prevail there.

In regard to the question asked by the right honourable the junior member for Ottawa (Right Hon. Sir George E. Foster), may I say, as a layman, that in my humble opinion we have a perfect right to discuss this question in Parliament. Parliament means parlement, that is to parler to talk and I think that anything of public interest can be discussed perfectly well here, whether it relates to a matter before the Supreme Court, or the Privy Council in England, or the Board of Railway Commissioners.

Hon. Mr. DANDURAND: My honourable friend speaks as a layman.

Hon. Mr. CASGRAIN: Of course, I am not speaking as a lawyer, thank God. But the situation here is very different from that in the United States, and nobody knows it better than my honourable friend. It is with some diffidence that I attempt to answer the honourable gentleman, without preparation, for he has studied railway questions for years and years. I think his occupation in life has been railroading, one way or another, and naturally he must be very well versed on all those questions. I cannot claim so much experience, although for ten years I ran a railway. It was only a hundred miles in length, but in those ten years I not only never got into a law suit, but I did not get even a lawyer's letter, and that railway was handled more cheaply than any other, for I spent only one dollar when the cheapest other railway spent three. Of course I did not pay the high wages my honourable friend wants. The wages were very moderate, but we never left a ton of freight behind, or never injured a passenger; so that is not such a bad record.

Hon. Mr. BEAUBIEN: What did it operate on?

Hon. Mr. CASGRAIN: We ran 62,000 miles at a cost of $34,020—about 53 cents a mile—and I defy anybody to do as well.

The honourable gentleman went back to the very inception of railroads. He spoke of the Canadian Pacific Railway. I might be pardoned for mentioning to this House an incident which occurred in 1910, when I happened to be in Vancouver with Sir Wilfrid Laurier, who was so busy at the time that he asked me to see an old gentleman named Beaven, who called, and who had been Prime Minister of British Columbia before Confederation. This gentleman was over eighty years of age, and he gave me an interesting account of British Columbia conditions before Confederation; and I wish to relate this incident, which is to the everlasting glory of Sir John Macdonald, because if British Columbia was in Confederation at all it was due to the foresight of Sir John. There were three parties in British Columbia in those early days, when that province was a Crown colony. There was the party that was then in office and wished to remain there. Another party, which was very strong, wanted annexation to the United States, there being no means of communication with Canada, the only route being down through San Francisco and California. There was at that time hardly anybody in favour of Confederation, and those who favoured annexation, in order to find an excuse, appointed a deputation to come to Ottawa, and this old gentleman came with it. They were instructed to ask Sir John Macdonald if he would build them a road—not a railroad, but a waggon road between Canada and British Columbia, over the mountains. When they came to Ottawa they expected a refusal, which would give them an excuse to be annexed to the United States; but when they interviewed Sir John Macdonald he said: "What? Build you a waggon road? Why, I'll build you a railroad to British Columbia". That deputation went back with that answer, and the railroad was built as promised, and finished in 1886, and Canada was saved an outlet on the Pacific.

The honourable gentleman has spoken also of the advantages the C.P.R. had in building that road. They had a great many advantages, I know. First and foremost, they were given 25,000,000 acres of land, which enhanced in price, as he has said. Besides that, they were given the right to charge any rate they pleased for passenger service or for freight, with absolutely no control, and that kept on for over twenty odd years. They were also allowed to import free of duty anything they wanted for their own road. Notwithstanding all this, as we are all aware, in 1893 the C.P.R. stock was selling in Montreal at 50 and Mr. Shaughnessy (afterwards Sir Thomas, and later Lord Shaughnessy), who was at that time purchasing agent, had difficulties in buying from merchants in Montreal, because the C.P.R. were even without credit. So it was not too much to give the railroad all those advantages. I do not intend going back to discuss the conditions of the time, but the right honourable the junior member for Ottawa (Right Hon. Sir George E. Foster) knows perfectly well what happened when the railroad was nearly failing: Sir John came to the rescue with a loan of $22,000,000, and so on. That is, however, beside the question.

For a while I thought the honourable gentleman (Hon. Mr. Robertson) wanted the Parliament of Canada to override the Railway Board. I understood him to say that the Government must make a decision—must do something. I claim that one of the best things that were done by the Laurier Government was the creation of that Board.

Hon. Mr. ROBERTSON: Agreed.

Hon. Mr. CASGRAIN: My honourable friend says the Railway Board went on very well from the time of its establishment until 1921, and everybody was in favour of the Board. Of course he would say that. Wages were increasing and every application was considered favourably. But when conditions began to become stabilized and the trend was the other way, then the Railway Board was not all right, and there was chaos, as he said. There will be plenty of chaos yet before we have finished, because, after all, wages must become normal at some time or other.

The honourable gentleman (Hon. Mr. Robertson) brings in the name of Hon. Frank Carvell. I remember perfectly well what Mr. Carvell said, and it was absolutely true, that you cannot keep on increasing wages and reduce freight rates. I omit passenger rates, because, on the National Railways, out of $5 of revenue they receive $1 for passenger service and $4 from freight; on the C.P.R., for every $4 that they take in, they get $1 from passenger service and $3 from freight; and even on that $1 from passengers the railways lose money. Any honourable member who has had anything to do with the matter will agree, and I am sure my honourable friend will not contradict me, that the railways lose money on the passenger business and their profit is made on freight.

The honourable gentleman said he was going to prove that Mr. Carvell was wrong. I

listened most intently for that proof. The honourable gentleman has not given it, and that is why I am on my feet now. If you raise wages you must raise freight rates. In the United States they did raise the wages, but they increased the freight rates too, and it is a fact that nobody will deny, that the freight rates in the United States are to-day from one-quarter to one-third higher than those prevailing in Canada. Honourable gentlemen from the West are constantly clamoring for lower freight rates. Fancy how it would be if they were in the United States. Here in Canada they can ship 3 bushels of wheat for about what it costs the United States farmer to ship 2 bushels. That is a fact in plain English, and it cannot be denied. We have lower freight rates in Canada. Yet my honourable friend says, "Look at the United States." As I have said just now, they have twice our population per mile of road and they do twice as much business. They can probably afford to pay more, and, after all, more cannot be expected than people can afford to pay. With our scant population, our great mileage, our small earnings per mile, we cannot afford to pay as much as the United States. What are the railwaymen going to do?

Hon. Mr. ROBERTSON: May I ask my honourable friend a question?

Hon. Mr. CASGRAIN: Certainly.

Hon. Mr. ROBERTSON: That is just what I would like to ascertain: what are the railwaymen going to do if in the future there is a continued downward trend of freight rates? Does my honourable friend say that the railway employees in Canada should accept any wage necessary on the basis of the freight rates as they may be fixed, without regard to any right they may have?

Hon. Mr. CASGRAIN: If my honourable friend wants to have the rates raised, I have no objection.

Hon. Mr. ROBERTSON: No, but will the honourable gentleman answer my question?

Hon. Mr. CASGRAIN: But what if we cannot pay them unless, forsooth, the railwaymen follow the advice given them by the honourable member and all trek to the United States? That is what he tells them to do.

Hon. Mr. ROBERTSON: No.

Hon. Mr. CASGRAIN: They would be so much better off there. The honourable gentleman spoke to that effect for an hour and a quarter. I listened carefully. He said that the United States was the panacea, that it was an Eldorado, it was everything that was good. The farmer in the United States does not say that when, as I mentioned a moment ago, he is obliged to pay as much for the shipment of 2 bushels of wheat eastward as the farmer in Canada pays for 3 bushels.

Therefore it seems to me that the proposition is a very easy one. It is this—and I have stated it in this House frequently in the past twenty-five years and more: you cannot keep on reducing rates while you increase wages. The chasm is becoming wider and wider all the while, and there will come a time when the people concerned will have to get together and decide one way or the other.

Hon. Mr. ROBERTSON: Now is the time.

Hon. Mr. CASGRAIN: Either the rates will have to be increased or the railway people will have to take smaller wages. The honourable gentleman quoted the Interstate Commerce Commission as desiring that their railroads get 5¾ per cent. Very well. What are the C. P. R. getting to-day, according to Mr. Beatty, who, I suppose, would not make a false statement to the people of this country? They are getting 2¾ per cent on their total investment. What does that mean? Either that they are paying too much in wages or they are not getting enough for freight. There can be no doubt about that. As far as our National Railways are concerned, we know they are not getting even 2¾ per cent, notwithstanding all the golden reports we see. So there is the proposition. What is my honourable friend driving at when he says that he wants more wages paid? I understand, of course, that he is desirous of helping the railroad employees, he being one of their leaders, and he is playing his part. As Shakespeare said: "All the world's a stage, and all the men and women merely players." The honourable gentleman is playing a part, and I think he is playing it very well, too. Nevertheless he cannot well escape the fact that in what he is now preaching he is attempting to square the circle. It cannot be done. If the honourable gentleman wants the wages to be higher, he must come out boldly and declare that the rates must be raised accordingly.

Hon. Mr. ROBERTSON: May I answer my honourable friend?

Hon. Mr. CASGRAIN: Certainly.

Hon. Mr. ROBERTSON: Without desiring to interrupt the honourable gentleman, may I say that the reason why I could not enter into any discussion of that phase was that my honourable friend the leader of the Government (Hon. Mr. Dandurand) intimated that a discussion of freight rates was out of order at this time.

Hon. Mr. CASGRAIN: All right, but I think the honourable gentleman could have gone into that also, for this is a free Parliament and we can discuss what we please.

As to the passenger traffic, anyone who has looked at the figures is well aware that there has been a considerable reduction on account of the increased use of automobiles. The decrease in passenger traffic, due to the large number of automobiles, is 20 per cent. I believe that the traffic will continue to diminish. There are numerous motor buses carrying passengers from one place to another and depriving the railways of so much traffic. So the passenger service of the railways is becoming less profitable.

In conclusion, I do not see that there can be an increase in wages with every fluctuation in the cost of living. We all felt the burden of the cost of living during the war, and we had to accommodate ourselves to it. The honourable gentleman has pointed out the fact that railway employees are getting proportionately less than people in other trades; but railway employees have permanent employment.

Hon. Mr. ROBERTSON: Oh, no.

Hon. Mr. CASGRAIN: Men employed in other trades may work one or two or three days a week, and be out of employment the rest of the time; but railroad men have permanent employment all the year round. I am told that a locomotive engineer can make as much as $6,000 a year.

Hon. Mr. ROBERTSON: That is utterly untrue, my friend.

Hon. Mr. CASGRAIN: What is the most he can make?

Hon. Mr. ROBERTSON: During the war period—

Hon. Mr. CASGRAIN: To-day—the most, not the least.

Hon. Mr. ROBERTSON: I can give my honourable friend a rate, not a Canadian rate, but a still higher one, which was established as a result or arbitration the other day. The rates vary according to the class of engine.

Hon. Mr. CASGRAIN: Give us the highest one.

Hon. Mr. ROBERTSON: They run from $5.68 to $7.14 per hundred miles.

Hon. Mr. CASGRAIN: What is that in a year?

Hon. Mr. ROBERTSON: One hundred miles is a day.

Hon. Mr. CASGRAIN: They do not run only 100 miles, because that would mean only about three or four hours' work. They run more than that in a day. Let the honourable gentleman be perfectly fair.

Hon. Mr. ROBERTSON: My statement stands.

Hon. Mr. CASGRAIN: Why not be honest? We are all in the family here. Tell us the highest yearly earning that you know of?

Hon. Mr. ROBERTSON: I do not know any train service employee who earns $4,000 a year.

Hon. Mr. CASGRAIN: A locomotive engineer?

Hon. Mr. ROBERTSON: No.

Hon. Mr. CASGRAIN: Well, I stand corrected. I have seen the figure $6,000, but I take the honourable gentleman's word.

Now, honourable gentlemen, I have to apologize for speaking without preparation. The honourable gentleman said he was going to prove that the Hon. Frank Carvell was wrong. Well, he was not wrong when he said that you cannot increase wages until you increase freight rates. That is what he said.

Hon. Mr. BEAUBIEN: May I ask the honourable gentleman a question? It seems to me that the gist of the speech of the honourable gentleman from Welland (Hon. Mr. Robertson) is this: that in allowing the Crow's Nest Pass agreement to come into force again the Government brought about the present condition, which is a very serious one. My honourable friend opposite has not touched upon that point. He has been running a railway for ten years—

Hon. Mr. CASGRAIN: Not lately.

Hon. Mr. BEAUBIEN: —with much better success than most railway managements. We would be glad to obtain his opinion on that score.

Hon. Mr. CASGRAIN: I cannot very well answer that; that pertains to the honourable gentleman who brought up this question. But in my humble opinion when the Government undertook to interfere with the Railway Board, they made a tremendous mistake. That Board was created for a purpose, and nobody found fault; but now that the shoe pinches people are coming to the Government. Then there is an appeal to the Supreme Court on questions of law.

The honourable gentleman explained that the Government, with a majority of one, could not afford to refuse the demands of the

people of the West, and gave in for political reasons, probably in a moment of weakness. Many things are done in moments of weakness.

Hon. J. G. TURRIFF: Honourable gentlemen, may I point out the fact that while Parliament passed legislation in the interest of the people of the West, that legislation is a dead letter.

Hon. Mr. SCHAFFNER: Hear, hear.

Hon. Mr. TURRIFF: The railroads have deliberately refused to carry out the intention of Parliament.

Hon. Mr. SCHAFFNER: Hear, hear.

Hon. Mr. TURRIFF: Both the House of Commons and this House passed legislation providing that certain rates should come into force, and the Board of Railway Commissioners advised the railways that this legislation had been passed, but both the Canadian National Railways and the Canadian Pacific Railway deliberately defied Parliament and the Government, and refused absolutely to carry out their wishes and instruction. For this reason I am very glad that my honourable friend opposite (Hon. Mr. Robertson), who brought up this subject, asks the honourable gentleman who is leading this side of the House what the policy of the Government is. Are they going to enforce their instructions, or are they going to allow the railways to set Parliament and the Government at naught?

I hear it argued to-day that freight rates are too low, and that conditions would be worse if the Crow's Nest rates were put into effect. I would remind honourable gentlemen that during the past two months the Board of Railway Commissioners has been sitting almost constantly in Ottawa, and that it has been acknowledged by witnesses of the Canadian Pacific Railway, and, also I think, by witnesses of the Canadian National Railways, that wheat, whether under the rates which are in force now or under the rates that would be in effect if the Crow's Nest Pass agreement were in operation, as the Government said they should be, is the most profitable source of revenue that the railroads have. That is true, and it has been proven time and again. But the Government, for some reason or other of which I am not aware, have permitted the Canadian Pacific Railway and the Canadian National Railways to flout them and dictate to them and say, "It does not matter what you have said, we are not going to put those rates into force."

The legislation that I speak of was passed in 1925, and two crops have been shipped from the West since then. Men who are adept at figuring say some $1,500,000 to $2,000,000 a year, has been taken out of the pockets of the farmers during the past two years and put into the pockets of the Canadian Pacific Railway and the Canadian National Railways. The farmers have suffered that loss, and they naturally ask what is going to be done. I want to point out to my honourable friends opposite what may happen if something is not done. During the past few years the matter has been thoroughly discussed throughout the West, and my honourable friends opposite know what happened. They have not got much support from the three Prairie Provinces; they have one member in fact. I also want to warn my honourable friend the genial Leader of the Government in this House (Hon. Mr. Dandurand) that he should not be too much carried away because the Government have a large following from the Prairie Provinces. I would like to ask him what he thinks would have happened in the last two elections if the people of those Provinces had thought for one moment that the word of the Government, the promises that had been made, and the legislation that was passed were not worth the paper they were written on. Does my honourable friend think that the people would have supported the Government to the extent that they did? Out in the West party politics sit pretty lightly on our shoulders, and if the Government's future action is not very different from what it has been during the last year or two there will be a change.

Hon. Mr. CASGRAIN: They have a perfect right to change.

Hon. Mr. TURRIFF: Yes, and everybody will know it when the time comes. It often happens. You may get members to support the Government by making them promises, but let me tell you that you cannot carry the farmers of the West with the members if those promises are not made good.

The promises that were made are fair, and it has been acknowledged in the witness box that the proposed rates were fair. If those rates are put into force the railways will continue to make money in the carrying of wheat. There is no other traffic as profitable as the traffic in wheat from the Prairies to the ocean, and unless the rates on wheat are put right, as was promised, the farmers cannot do well and the country cannot do well. I am glad my honourable friend has asked this question, and I shall be very much interested in hearing the reply of the Government.

Hon. Mr. CASGRAIN: May I ask just one question? The honourable gentleman

always says the railways are making money carrying wheat, whereas everybody knows that it is the cheapest commodity they carry. Is it not true that the western lines bring in a revenue of only $8,000 a mile, whereas the eastern lines bring in $11,000 a mile?

Hon. Mr. TURRIFF: My honourable friend has asked that question and made that statement in this House every Session since I have been a member of the House, and I suppose he will continue to do it. I answer him that if the eastern division of the C.P.R., from Port Arthur to Halifax, made, say, $500,000 net profits during June, and the same amount during July, that the western portion of the road, from Fort William to Vancouver, made about the same amount. That is, the earnings were very evenly divided in the months when no wheat was carried. But in August the earnings of the western portion of the road would be almost double what they previously had been, and in September, October, November and December, they would still be increasing, while those on the eastern section would remain practically stationary.

Hon. Mr. CASGRAIN: Why leave out the other months? Take the whole twelve months.

Hon. Mr. TURRIFF: Wait a moment. My honourable friend asks me about the other months. In the other months the earnings east and west were just about equal, roughly speaking; so we are compelled to acknowledge, as the witnesses that have been giving evidence before the Railway Board within the last two months have been compelled to do, that wheat is the best paying commodity carried by the railroads. You need not worry about the railroads if the rates are enforced that Parliament said should be enforced; the railroads will still continue to make plenty of money.

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

ALLIED INDIAN TRIBES OF BRITISH COLUMBIA

APPOINTMENT OF SPECIAL COMMITTEE

On the Order:

Consideration of a message from the House of Commons to the Senate to acquaint Their Honours that a Special Committee has been appointed to meet with a similar Special Committee of the Senate, if such Committee be appointed, to inquire into the claims of the Allied Indian Tribes of British Columbia as set forth in their petition to Parliament in June, 1926.

Hon. Mr. DANDURAND: Honourable gentlemen have had occasion to read the petition of the Indian Tribes which the honourable gentleman from Nanaimo (Hon. Mr. Planta) brought to the attention of the Senate last Session, and which appears in the report of the Debates of June 14, 1926. The honourable the Minister of Interior has suggested that a Joint Committee of both branches of Parliament be appointed to examine into the claims of those tribes. It is my impression that he does not intend that the Committee should summon witnesses, for the reason that more than once, I think, witnesses have already been examined on the spot at considerable length, but the intention is that the legal aspect of the situation should be considered upon the record as made. It is for these reasons that we have this message before us, and I would suggest that we join in the inquiry, and therefore move:

That a Committee be appointed, to consist of the Hon. the Speaker of the Senate, and the Honourable Messieurs: Belcourt, Murphy, McLennan, Green, Barnard and Taylor.

The motion was agreed to.

Hon. Mr. DANDURAND: Honourable gentlemen, I move that when the Senate adjourns this evening it do stand adjourned until to-morrow morning at 11 o'clock.

The motion was agreed to.

The Senate adjourned until to-morrow at 11 a.m.

THE SENATE

Friday, March 11, 1927.

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

POTATO WAREHOUSE AT GEORGETOWN, P.E.I.

INQUIRY AND DISCUSSION

Hon. Mr. HUGHES rose in accordance with the following notice:

That he will call the attention of the Senate to the urgent need for the immediate construction of a suitable frost-proof potato warehouse at Georgetown, in Prince Edward Island, and inquire if it is the intention of the Government to make provision for the construction of such a warehouse at an early date.

He said: Honourable gentlemen, in order to explain properly what I wish to bring to your notice, I shall have to take probably twenty-five or thirty minutes of the time of this honourable House and I shall be thankful if you will be graciously pleased to give me your attention.

Perhaps I should here state, for the benefit of those honourable members who cannot be supposed to know the geography and political divisions of Prince Edward Island as well as we who live there, that the Island Province, like Gaul, is divided into three parts, or three counties, namely, King's, Queen's and Prince. King's County is represented in the House of Commons by one member, Queen's County by two members, and Prince County by one member.

The potato industry is to Prince Edward Island what the fishing industry and coal mining are to Nova Scotia, what farming and lumbering are to New Brunswick, what farming, manufacturing and mining are to Quebec and Ontario, what grain growing is to the Prairie Provinces, and what lumbering and fishing are to British Columbia. In other words, while not by any means our sole industry, it is the most important industry we have and is sure to increase rapidly if we can obtain adequate transportation facilities. Our soil and climate are admirably adapted for the growing of the best potatoes that can be produced in North America.

Some years ago we grew potatoes in the most haphazard manner, without giving any attention to variety, cultivation, or methods of transportation, and, in consequence, our sales in the other provinces and in the United States were small and the price was exceedingly low. All this has been changed.

When the Fordney-McCumber tariff went into operation we were practically excluded from the United States market on low priced stock, because of the high specific duty of half a cent per pound on potatoes. Just about that time some of our farmers discovered there was a good demand in the United States, at paying prices, for a high-class article for seed purposes, and the duty, being specific and not ad valorem, would not be such an obstacle to the trade. Some of them joined together in an organization known as the Potato Growers' Association and began growing and shipping in a small way to the United States, with good results. Our potatoes soon obtained an enviable reputation in the American market, because varieties that suited that market were grown and transported under proper, or, at all events, improved conditions. The trade and the Association grew rapidly. Most of the stock grown by the Association was handled by the Southgate Import and Export Company, a large potato house in Norfolk, Virginia. If my memory serves me well, this house alone purchased in Prince Edward Island, last fall, over six hundred thousand bushels of seed stock, all of which went out by water, and they

were distributed from Long Island, New York, in the North to Georgia in the South. And such excellent crops are grown from this seed that the demand is increasing all the time. In the warm States of the South the farmers must plant new Northern seed every year in order to get a good crop.

All the farmers on Prince Edward Island do not belong to the Potato Growers' Association. Many of the large growers ship on their own account, and many others sell to the merchants, who ship for them. Last year we grew over three million bushels for export and probably over two million bushels for home consumption. All our shipping facilities were taxed to their utmost to handle these three millions. This year we shall have at least four million bushels to export, because our acreage will be increased by at least 30 to 40 per cent; and unless the Port of Georgetown is equipped this coming summer, from a half to three-quarters of a million bushels will be left in the hands of the farmers, because they cannot be shipped from the province.

Honourable gentlemen, allow me to submit proof for this statement. Last year a little less than six hundred thousand bushels were shipped from Charlottetown and that port had all the business it could handle. Summerside is to be equipped this year, but that port closes as early, if not a little earlier, than Charlottetown. Therefore, five or six hundred thousand bushels will be all that can can be shipped from Summerside. The Car Ferry can take care of about two million and a quarter bushels in a season. Add these three quantities together and we have three millions and three or four hundred thousand bushels, which will leave six or seven hundred thousand bushels on the hands of the farmers to rot in their fields or in their cellars, because, as already stated, we shall produce at least four million bushels this year, and in 1928 an additional million, and so on and there will be no means by which that quantity can be shipped from the province.

But this is not all. I have already told you that our seed potatoes have been sold as far south as Georgia, and there is a demand for them in Florida and Texas, and we believe a market can be found for them in Alabama, Mississippi and Louisiana. But the farmers in these States will not buy our potatoes unless they can get them when they are ready to plant them, and their planting season is from, say, the middle of January till about the 15th or 20 of February.

There are several reasons for their refusal to buy before the planting season begins, and

one is that they do not want to pay for them and store them six weeks or a month before they are ready to use them; but the greatest reason is that potatoes sprout and deteriorate very rapidly in that warm country and the crop is not nearly as good unless they are planted shortly after they arrive. Therefore, to get the best prices, and, indeed, to hold the Southern market at all, we must ship from Prince Edward Island during the month of December; but in that month Charlotteown and Summerside harbours are closed. Only the harbours of Georgetown and Souris remain open till January, hence the vital necessity of equipping one of these harbours immediately. The other one will have to be equipped within a very few years. No matter what shipping facilities may be provided at Charlottetown and Summerside, the situation will not be met, because these harbours close early in December.

When I was in the Southern States recently the Southgate Import and Export Company of Norfolk told me that if we wished to extend our trade to the Gulf States, or even to hold the market we have in South Carolina and Georgia, we would have to ship by water from Prince Edward Island in December; because the farmers in these States simply refused to buy earlier than the 10th or 15th of January. I got similar information from other people.

You may, perhaps, ask why we cannot ship by rail from Prince Edward Island to the Southern States during the month of December, and I will tell you. The freight by rail from Prince Edward Island to the Southern States, even if we could get the rail accommodation, which is not always available is practically prohibitive. The freight by rail from Prince Edward Island to points as far south as Norfolk is about equal to the water freight and duty combined, and the farther south you go the greater becomes the differential. Hence the vital importance of water transportation if this industry is to grow, or even remain where it is now.

There is another reason why the harbour of Georgetown should be equipped. There are many settlements in King's County that cannot ship potatoes by rail, because they are far from a railway station, and potatoes are a bulky article. In some cases these settlements are not far from the railway, as the crow flies, but inasmuch as the country has many rivers, bays and inlets, the distance the people would have to travel to ship by rail is so great that they could not undertake it. These settlements are: Dundas, Annandale, Little Pond, Launching, St. Georges, De Gras Marsh, Sturgeon, Gasperaux, Murray Harbour North, Panmure Island and Boughton Island. These settlements could all conveniently send their potatoes in large boats and small vessels to Georgetown, if a suitable warehouse were there in which to assemble cargoes, and until such a warehouse be provided they will be practically excluded from the growing of potatoes.

Now, honourable gentlemen, you may perhaps wonder why I should have to explain this matter at such length in this Chamber, and you may think I should have explained it in the other Chamber when I was there, or even yet to the Minister of the proper Department. Well, I think I have done my duty in all these respects, and I will explain further. In 1924 and 1925, both verbally and by letter, I explained the matter fully to the then Minister of Public Works, Honourable Dr. King, and I felt sure that I had convinced him that it was a work that should be undertaken without delay. I explained to the Prime Minister briefly, but naturally did not bother him with details. I also explained it to the Honourable Mr. Sinclair, one of the members from the Island, and then a member of the Government. I thought Mr. Sinclair understood the situation as well as I did and had as much interest in the proposal as I had, because the proposed warehouse was not a county matter at all; it was, and is, a provincial matter.

For reasons which I have fully explained, the man at Tignish in the western end of the Island, would benefit almost as much from the construction of a suitable frost-proof potato warehouse at Georgetown as the man living two miles from Georgetown would benefit. Mr. Sinclair favoured the idea and told me he would support it in Council and would endeavour to get an amount for the construction of the building in the estimates that year. Later I learned that Mr. Sinclair had opposed it in Council and had prevented the Government from putting an amount in the estimates for the construction of the building. Some months later Mr. Sinclair publicly stated in Prince Edward Island that he did not oppose it in Council.

I did not then, and I do not now, blame the Government for not proceeding with the work; they could not be expected to go on with it when it was opposed by the member of the Cabinet from the Province.

Hon. Mr. DANDURAND: My honourable friend has just informed us that the gentleman had denied having opposed the proposition. How does my honourable friend reconcile his statement with that denial?

Hon. Mr. HUGHES: I think the denial is incorrect.

Hon. Mr. DANDURAND: My honourable friend is not justified in making that statement.

Hon. Mr. HUGHES: I am justified; and I will give my honourable friend the information and he will then admit that I am justified.

I understood that one of Mr. Sinclair's objections to the proposal was that inasmuch as the Railway in King's County was narrow gauge and the railway in Queen's and Prince Counties was standard gauge, the farmers and shippers in Queen's and Prince Counties could not use the warehouse in Georgetown till the railway in King's would be standardized. Well, that was correct, but all the people in Kings who were obliged to use the narrow gauge railway could ship through Georgetown as well as, and better than, through any other port. And the people living in the settlements which I have mentioned, and who had practically no railway facilities, could have made splendid use of a warehouse at Georgetown. Apparently Mr. Sinclair did not think, or care, about these people, though he was the member of the Government from the Island, and the Island is not a large place.

At all events, the railway in King's County was standardized last summer, and, when that was done, I thought the last objection was removed, but I am not so sure now; there appear to be still some impediments in the way.

Last January a delegation from Prince Edward Island waited upon the Minister of Public Works in connection with this matter. The delegation had letters from the Boards of Trade, the Potato Growers' Association. several shippers and business men, and a letter from Mr. Johnston, the Liberal candidate for King's in the last election; all favoring the immediate construction of the proposed warehouse. I was with the delegation, and they explained to the Minister and his deputy all the merits of the case, and asked that an amount for the construction of the warehouse be placed in the main estimates, so that the building could be ready for business in the fall of 1927. They and I felt that the Minister had been favourably impressed, that all impediments had been removed, and that there would be an amount in the main estimates for this much needed work. The Georgetown warehouse is not mentioned in the main estimates. The Public Works Department asks Parliament for $201,600 for Prince Edward Island and $1,000 of this amount is for King's County, though many of the Public Works in that County, notably the breakwater at Souris, are in a dangerous condition.

Perhaps I should mention here that the Duncan Report on Maritime Claims recommends the construction of a frost-proof potato warehouse at Georgetown, and last summer when the Prime Minister spoke in that town he showed great sympathy with the proposal and emphasized its importance. Everybody went away from that meeting feeling satisfied that if the Liberals came back to power the construction of the much discussed and long delayed warehouse would be immediately proceeded with. But something has happened to call another halt. Apparently there are more impediments in the way. Is it possible that Mr. Sinclair is pursuing the same course in 1927 that he followed in 1925; and is it possible that Mr. Johnston, the defeated Liberal candidate, is co-operating with him? If either or both these gentlemen are privately opposing the construction of this warehouse while publicly favouring it, such conduct would be very improper and the men who would do that should have no influence with this or any other Government in Canada.

Is it possible that the Government halts in its duty because the County voted Conservative in the last election. I cannot believe such a thing, because such an attitude would be unworthy of the Liberal Party. And I will give you my reason for the faith that is in me.

For many years the construction of a piece of railway in Prince Edward Island known as the Elmira branch had been under consideration. After I became a member of Parliament I strongly advocated it. In 1907 the Government surveyed the line, and in the session of 1908 voted a sum of money to begin the work and asked for tenders. An election was held in 1908 before the tenders had been received, if I remember correctly. I was defeated in that election, and, fearing that some delay might take place in the building of that piece of road, I came to Ottawa at my own expense to push it. When I reached the Capital I found that the Railway Department had fully decided to drop the project, and they thought I would resent my defeat and agree to their views. I could not change the Department's decision, and had therefore to interview the Prime Minister, Sir Wilfrid Laurier, on the subject. After stating my case to him and answering a few questions which he asked, he told me that he thought the County which I had represented had make a mistake in not re-electing me, but that in

rejecting me it had done neither myself nor the Government any injustice: that every constituency in Canada was free to vote against the Government if it so desired; otherwise there would be no sense in holding an election: that the Government and party of which he was the head would never penalize any constituency for exercising its constitutional rights: that the Government was legislating for the whole Country and not for its friends only—

Hon. Mr. CASGRAIN: That is a good government.

Hon. Mr. HUGHES: —and that I might go home satisfied that the piece of railway in question would be built. It was built. I hope and trust that the Liberal Party has not lost the virtues and the principles it professed and practised some eighteen or twenty years ago. I hope and trust that the farmers of Prince Edward Island who by their hard labour in the fields are ready to produce abundant crops, and the shippers who by their foresight and prudence have found markets for these crops, will not have their hopes dashed to the ground by another delay in the construction of this much needed accommodation.

The construction of two or three potato warehouses on Prince Edward Island would be in line with what the Government has done and is doing in all the other provinces of the Dominion. The Government has constructed elevators or storage warehouses all over Canada, from Halifax to Vancouver and Prince Rupert, for the grain growers and shippers. The Government has constructed cold storage warehouses for the fruit farmers of Ontario and British Columbia. It has also constructed potato warehouses for the farmers and shippers of New Brunswick. And I approve of these expenditures. Further, the Government sends trade commissioners to many countries, and spends hundreds of thousands each year in steamship subsidies, to encourage foreign trade; but when the farmers and the business men of Prince Edward Island by their own efforts produce the crops and find the markets, the Government seems to hesitate about the expenditure of a few thousand dollars to provide the ordinary port shipping facilities.

The Government can be justified in regard to the delays that have hitherto occurred, because of the representations that have been made to it by some of our representative men, but the Government will not be justified in listening to such representations any longer. Again I say that the man or the men who publicly advise the Government to pursue a certain policy and who privately advise it to pursue a contrary policy, because they want to avenge some real or fancied personal grievance, are on the very face of things acting improperly, and such men should have no influence with any Government or any body of public men.

It is generally supposed that this Session will terminate next month. Therefore, if an amount for this work were put in the supplementary estimates the work could be pushed during the summer, and it could probably be finished in time for the fall trade. I therefore appeal to this honourable House for support in this matter.

The Senate of Canada is not without influence in the Council of the nation. It was constituted to protect small provinces and minorities, and I know that an appeal to it, to see that justice be done, will not be made in vain. I particularly appeal to the honourable the leader of the Government in this House, whose sense of justice is proverbial, to put this matter before his colleagues as I have tried to present it to him. There are doubtless some points which I have overlooked, and there may be others which I have not made sufficiently clear, and if such be the case, and if the honourable leader will give me an opportunity to explain them further, either now or at some other time, I shall be deeply grateful.

Of course, if our honourable leader could give me assurances similar to those Sir Wilfrid Laurier gave me in a somewhat similar case some nineteen years ago all would be well, but that might be too much to expect at the moment, under all the circumstances. I will therefore close my case, confident of its merits, and relying upon the justice and honour of the Government and Parliament of Canada. I thank you.

Hon. Mr. DANDURAND: Honourable gentlemen, any member of the Senate is entitled to bring before this Chamber any matter that concerns the interest of the public in general, or of a province or a locality, and I would welcome the statement of the honourable gentleman if he had not, to my mind, violated a principle of this Chamber as well as the other, by attacking a member of the other Chamber in explaining his case. It has been well and justly stated that there should be no allusion to the action of an individual member of the other House, because that member, not being here, cannot defend himself. He can only rise on a question of privilege in his own Chamber and give the answer that he would give if he

were here. One Chamber will hear an onslaught upon a member of the other Chamber, and the compliment will be returned.

Hon. Mr. STANFIELD: Will the honourable gentleman pardon me? Last Wednesday an onslaught was made in the other Chamber on certain members of the Senate, and not a word was said in protest. I heard it with my own ears.

Hon. Mr. DANDURAND: Of course we understand that occasionally some members in the other Chamber enjoy speaking of the Senate as representing certain interests. That may be in good taste or it may not; it may be in accordance with the rules or it may not; but I feel that my honourable friend has made it somewhat difficult for me to bring his speech to the attention of Council, with the imputations that are contained in it. However, I will forget the imputations and will gladly draw the attention of Council to the needs of Prince Edward Island.

I should have thought that the report on Maritime Rights would contain something on this matter. I do not know whether it does or not. Has this matter been brought to the attention of the Duncan Commission?

Hon. Mr. HUGHES: Yes. I mentioned in my statement that the Duncan Commission had recommended the proposal.

Hon. Mr. DANDURAND: Then if it is in the Commission's report I do not need to bring to the attention of Council the remarks of my honourable friend, because the Duncan report is at present before the members of Council.

Hon. Mr. HUGHES: May I say another word? I thank the honourable leader for saying that he will bring the matter to the attention of his colleagues in Council. I may say, however, that the Duncan report on that question is very brief; only a line or two; whereas, in the remarks that I have made, I have given some details which are, I think, of importance.

I regret exceedingly—if I may be allowed to say so—having been obliged to mention the name of any member of the other Chamber, but in my view of the matter I did not see how I could bring the case clearly to the attention of this House without mentioning all the facts known to me.

Hon. Mr. ROBERTSON: May I ask my honourable friend from King's (Hon. Mr. Hughes) if there is a Government potato warehouse at Charlottetown?

Hon. Mr. HUGHES: Yes, there is a Government potato warehouse there, and there is in the estimates an amount of $75,000 for improving that warehouse. There is also in the estimates an item of $63,000 to provide a warehouse at Summerside.

Hon. Mr. ROBERTSON: My honourable friend's point seems to be, then, that the Government have provided, or are providing, warehouses at two points where they are accessible to ships for only a portion of the year, and he desires that there should be at Georgetown a potato warehouse which would be accessible to ocean vessels during the winter months. I think I understand that.

Hon. Mr. COPP: That is open not all winter, but just part of the winter, till January.

Hon. Mr. HUGHES: That is the main point that I have in view.

Hon. Mr. ROBERTSON: I simply wanted to understand it.

Hon. Mr. HUGHES: The port of Georgetown is open about twice as long as the ports of Charlottetown and Summerside, and the shipping season at Georgetown is about twice as long as at those other ports. Georgetown is open at that season of the year when potatoes can be shipped so as to arrive in the Southern States when they are wanted.

PAN-AMERICAN UNION AND INSTITUTE OF PACIFIC RELATIONS

MOTION FOR RETURN

Right Hon. Sir GEORGE E. FOSTER rose in accordance with the following notice:

That he will ask for copies of all correspondence had with any member or officer of the Government of Canada, respecting the acceptance by Canada of membership in the Pan-American Union or affiliation with that organization or representation at its meetings, and any similar correspondence with respect to affiliation with or representation upon the Pacific Council of the Institute of Pacific Relations.

He said: Honourable gentlemen, I do not intend to make any very extended remarks on this motion. My purpose is mainly to obtain information, but in a subsidiary way the motion is meant as a caution or warning with regard to probabilities in connection with the information for which I am asking.

It was a matter of some surprise to me to hear, a few weeks ago, when the report of a conference was being discussed in Parliament and in the country, that on several occasions previously representations had been made to the Government of Canada, or to Ministers of the Government, with reference to Canada's as-

suming a seat which, it was said, had been prepared and was waiting for her in the Pan-American Union. The statement was made and broadcast that now that some change had been made in Canada's relations and an ambassadorial representative of this country would find his place in Washington, that seat would be offered to Canada, and it was hoped it would be accepted. What communications have been made I do not know, and it is the purpose of this motion to obtain that information for myself and the other members of the Senate.

The second point in my motion is that it might be taken somewhat in the nature of a caution as to our attitude in dealing with such an invitation if it were really given and were being considered by the Government.

The Pan-American Union has a rather long history, but into that I am not going at present. There is no truth which comes to one with greater pertinence than the fact that considerable importance may be attached to a remark or promise, perhaps thoughtless or unfounded, and that it may be called up years and years afterwards for fulfilment. The influence that a single man, or a statement by an individual, sometimes has in international relations is really a revelation to one who has not previously given his attention to that phase. Take for instance the March meeting of the Assembly of the League of Nations at Geneva. It became apparent there, in the discussion of the subject which was before that Assembly, that much of the difficulty, perhaps all of it, lay in the fact that in the early organization years of the League the representatives of certain nations, perhaps chiefly France and Great Britain, made to Spain a promise that in the future, at a convenient opportunity, these nations or their representatives would support a claim made by Spain for a permanent place upon the Council. That promise, given by men who had not the power to perform it, even though it was provisionally made, played a large part in the dissatisfaction of Spain when she urged that after all these years the opportunity had surely come for these nations to back her claim. So it is that even in the history of our own country there are instances of our having found ourselves impelled along a certain line that had been in earlier years initiated by a statement, promise or conclusion as to possible policy by a single member, or a few members, of a government, or by prominent men in the country.

Now, with reference to the subject-matter of my motion may I say that with the strongest sentiments of good-will towards the people of the United States, with full recognition of the happy relations that have hitherto existed, the present condition of those relations, and the advisability and, I believe, the certainty of maintaining those relations, we must not forget, nor do I think that we do forget, that we have here in Canada our own history, traditions and antecedents, with a rising and growing national feeling, and that it is our bounden duty to guard those traditions, that national consciousness, that growth of national feeling, to the utmost extent. Before we or our Government lend any support or assistance to the proposal that we should take a seat in the Pan-American Union, it is in my opinion our duty to investigate very carefully these questions. What is the Pan-American Union? On what basis is it constituted? What are its aims? What are its dominating influences at the present time? If we set ourselves to study these questions we shall find, I think, a very interesting field of inquiry and research, and it will be best for us to cover that field in its entirety before any step is taken towards giving a favourable reply to any invitation that may come to Canada to become a member of the Pan-American Union. Not only shall we find that it contemplates the growth and improvement of good relations, amity and international fellowship among the different powers on the South American and North American continents, and that it does in large measure busy itself with the encouragement of communications, personal, commercial and economic, among the different countries; but we shall find that it goes further and that in it there are factors, cultural, racial and political, which it would be well for us to explore before committing ourselves to becoming a member of what is called an association or union of the republics of the two American continents.

I am asking for this information and bringing the matter to the attention of honourable gentlemen in the hope that we may all become interested in this subject and that we may not develop tendencies too hastily, or jump at conclusions but that the tendencies and conclusions may be the results of a thorough investigation and understanding of what is involved.

That, honourable gentlemen, is all that I wish to say upon this matter at the present time. When the information comes down it may be well to have the Senate devote an hour or so to a further consideration of this question. I beg leave to move my motion.

Hon. Mr. DANDURAND: It is not a motion; it is an inquiry.

The Hon. the SPEAKER: It asks for copies of all correspondence had with any member or officer of the Government of Canada.

Hon. Mr. DANDURAND: But the right honourable gentleman does not move for a return. I would like to ask the right honourable gentleman if his allusion bore upon any statement made by any member of Parliament on this matter. He referred to some statement. Could he tell us a little more precisely the source of that statement?

Right Hon. Sir GEORGE E. FOSTER: As I remember it now, the statement was made by a former very important official of the Pan-American Union; I think Mr. Barrett is his name. If I remember rightly, he said that he himself had communicated with reference to the matter on several occasions, and he gave expression to the belief that Canada would now find herself in a position to accept such an invitation and become a member of the Pan-American Union.

As to the point raised by my honourable friend, my request may be too much in the form of a question and too little in the form of a motion, but my purpose was to move that the Government lay upon the table of the House copies of all correspondence on this matter. If my motion does not carry out that purpose, perhaps the Senate will allow me to amend it in accordance with my intention.

Hon. Mr. DANDURAND: I will certainly inquire from the Government as to any correspondence that may have been exchanged between some outside party and any member of the Government. I may say that the matter has not come officially before Council.

The question raised by my right honourable friend is a very interesting one. Like himself, I have met in Geneva many delegates from South America, who must have expressed to him, as they did to me, their desire that Canada should join the Pan-American Union. I noticed that what was uppermost in their minds was the presence of another North American power. They seemed to feel that, turning northward, they had been facing only the United States, and they expressed themselves quite clearly to the effect that they would like very much to have Canada's voice occasionally heard.

Of course I do not know what matters are discussed at the meetings of the Union in Washington. I take it for granted that monthly meetings of delegates are held in the famous Pan-American building at Washington. Whether the matters discussed there are restricted to subjects of commerce I do not know, but I understand that those meetings are attended by ministers or ambassadors living in Washington and representing the various countries concerned. This is a matter which is worth studying.

I understand that a meeting was held in New York some months ago of official delegates from Boards of Trade of the United States and Canada. At any rate, it was a big gathering of commercial interests, and I remember that this matter was mentioned at a dinner held on that occasion. I thought my right honourable friend was referring to a speech made at that time by some representative of a Canadian Board of Trade, who expressed a desire that Canada should join the Union. It seemed to me that the Board of Trade delegate might well have consulted his Canadian friends before making such a statement.

Right Hon. Sir GEORGE E. FOSTER: May I refer to that latter incident? If my memory serves me aright it was the representative in New York of our Department of Trade and Commerce who made that statement in the course of an address, and, if I am not wrong, he intimated that Canada would be very glad to join. It was with regard to statements of that kind that I thought some caution should be exercised, and we should not be held responsible for any statement which was not based upon real governmental authority.

Hon. Mr. MURPHY: May I ask the right honourable gentleman a question? In his motion there is mention made of the Pacific Council of the Institute of Pacific Relations. Is that a body distinct from the Pan-American Union, or it is an offshoot of the Union?

Right Hon. Sir GEORGE E. FOSTER: That is another development. Its attitude is chiefly directed towards the Pacific. It has been in existence for a number of years, and its membership comprises unauthorized representatives; I mean, members who take part personally or as representing organizations rather than governments. It has met annually for a number of years at Honolulu, I think, and it has decided to establish, and has actually formed, what is called an Institute of Research. It is rather widely distributive in its activities, and in the opinion of some it verges towards the formation of a League of Nations Union for the Pacific countries. I noticed in one of the reports that the Government had appointed a representative to attend one of the meetings, and it was for the purpose of obtaining information on that point that I put in that portion of my request.

The Hon. the SPEAKER: Is it your pleasure, honourable gentlemen, that the Right Hon. Sir George E. Foster have permission to amend his motion to read: "That an order of the Senate do issue for a return of all copies of correspondence?"

Hon. Mr. DANDURAND: Carried.

The motion was agreed to.

DIVORCE BILLS

SECOND READINGS

Bill Q3, an Act for the relief of Dorothy Helen Murray.—Hon. Mr. Willoughby.

Bill R3, an Act for the relief of Lotta Maria McGregor.—Hon. Mr. Willoughby.

Bill S3, an Act for the relief of Harriett Louisa May MacCarthy.—Hon. Mr. Willoughby.

Bill T3, an Act for the relief of Adelaide Mildred Maguire.—Hon. Mr. Willoughby.

Bill U3, an Act for the relief of Dmytro Pushkedra.—Hon. Mr. Willoughby.

Bill V3, an Act for the relief of Muriel Helen Louise Dunn.—Hon. Mr. Willoughby.

Bill W3, an Act for the relief of William Henry Poultney.—Hon. Mr. Willoughby.

Bill X3, an Act for the relief of Cecil Chester Richardson.—Hon. Mr. Willoughby.

Bill Y3, an Act for the relief of Bertha Amelia Berthelet.—Hon. Mr. Willoughby.

Bill Z3, an Act for the relief of James Edward Barnaby.—Hon. Mr. Willoughby.

Bill A4, an Act for the relief of Evelyn May Bateman.—Hon. Mr. Willoughby.

Bill B4, an Act for the relief of Fannie Louise Dance.—Hon. Mr. Willoughby.

Bill C4, an Act for the relief of Sarah Simpson.—Hon. Mr. Willoughby.

Bill D4, an Act for the relief of Percy Compton.—Hon. Mr. Willoughby.

Bill E4, an Act for the relief of Hazel Green Anderson.—Hon. Mr. Willoughby.

CANADA EVIDENCE (BANK BOOKS AND RECORDS) BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill F4, an Act to amend the Canada Evidence Act as respects Bank Books and Records.

He said: Honourable gentlemen, this Bill was passed by this House last Session, and adopted in the House of Commons, but failed to receive the Royal Assent. It is to authorize the production of certified copies of the accounts and books of a bank for judicial proceedings and to save the necessity of transferring books which are in daily use at the bank to the courts. It does not preclude a person who desires to see the books from doing so in order to compare them with the official copies produced. This is the explanation which I gave last year, and which fully satisfied this Chamber.

I move the second reading of the Bill.

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

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

PRIVATE BILLS

SECOND READINGS

Right Hon. GEORGE P. GRAHAM (for Hon. Mr. Watson) moved the second reading of Bill 77, an Act respecting the Manitoba and North Western Railway Company of Canada.

Hon. Mr. ROBERTSON: I would like to inquire of my right honourable friend if this and the Bills referred to in the next three Orders are new, or if they are Bills that were passed last Session, but failed to receive the Royal Assent on account of dissolution. If they are a repetition or renewal of those Bills, I think we can let them pass without question; if not, I would like a little information concerning them.

Right Hon. GEORGE P. GRAHAM: I do not know that.

Hon. Mr. DANDURAND: We might pass the second reading, and send them to the Railway Committee.

Hon. Mr. LAIRD: This Bill applies for an extension, and if it goes to the Committee the representative of the company will be there.

Right Hon. GEORGE P. GRAHAM: If my memory serves me aright, this Bill relates to one of the areas as to which there was discussion at a previous period between the two railway lines. However, by consent, the Canadian Pacific Railway is entitled to construct in this particular area, so far as competition from any other railway is concerned.

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

Right Hon. GEORGE P. GRAHAM, in the absence of Hon. Mr. McCoig, moved the second reading of Bill 75, an Act respecting the Essex Terminal Railway Company.

Hon. Mr. ROBERTSON: Honourable gentlemen, I can state definitely that this Bill was before the Senate last Session, and passed both Houses, but fell by the wayside on account of the dissolution of Parliament. I see no objection to its going to the Committee in the usual way.

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

Hon. Mr. WILLOUGHBY moved the second reading of Bill 73, an Act respecting the Canadian Pacific Railway Company.

He said: Honourable gentlemen, I think that this represents a new line, and was not in the House before. However, there is no objection that I am aware of. I move the second reading.

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

Bill 71, an Act respecting the Alberta Railway and Irrigation Company.—Hon. Mr. Buchanan.

At 1 o'clock the Senate took recess.

The Senate resumed at 3 p.m.

PRIVATE BILLS

SECOND READING

Bill 41, an Act to incorporate Columbia Life Assurance Company.—Hon. Mr. Crowe.

FIRST READINGS

Bill 44, an Act respecting the Ottawa Gas Company.—Hon. Mr. Haydon.

Bill 43, an Act respecting the Ottawa Electric Company.—Hon. Mr. Haydon.

Bill 74, an Act respecting the Canadian Transit Company.—Hon. Mr. Haydon.

Bill 76, an Act respecting La Compagnie du chemin de fer de Colonisation du Nord.—Hon. Mr. Casgrain.

The Senate adjourned until Tuesday next at 8 p.m.

THE SENATE

Tuesday, March 15, 1927.

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

Prayers and routine proceedings.

OLD AGE PENSIONS

INQUIRY

Hon. Mr. BEAUBIEN inquired of the Government:

1. What correspondence has taken place between the Government of Canada and the governments of the Provinces of Canada respecting the bill intituled: "An Act respecting Old Age Pensions."
2. If any, will the Government lay a copy before the Senate.

Hon. Mr. DANDURAND: I will lay on the Table the report of the Special Committee of the House of Commons, made last session, concerning the proposed legislation. There is a summary of the answers in the report, and perhaps my honourable friend will be satisfied with that. If he does not find in it what he is looking for, I will try to satisfy him otherwise.

Hon. Mr. ROBERTSON: Would it not be useful and interesting to every member of the House to have those answers spread on the record so that they would be easily accessible?

Hon. Mr. DANDURAND: I will hand over the report to Hansard.

Hon. Mr. ROBERTSON: Thank you.

Hon. Mr. DANDURAND: It is from the Labour Gazette.

Report of Special Committee

The Special Committee, appointed on the 1st of May last to make an inquiry into an old age pension system for Canada to which was referred the correspondence arising from the proposal recommended to Parliament on the 1st of July, 1924, for co-operative action on the part of the Federal government and the governments of the several Provinces, has the honour to report as follows:—

Your Committee has given careful consideration to the aforesaid correspondence, and also to the correspondence more recently received from Premiers and Ministers of several Provinces. Briefly, the views of the several Provincial governments are as follows:—

1. New Brunswick.—Under date of May 23rd, 1925, the Premier (Hon. Mr. Veniot) writes: "This Province is now considering the establishment of what is known as Widows' Pension, and we are not prepared to take any decision in the matter of an Old Age Pension. While I do not disapprove of the Old Age Pension, and feel that it would be a good thing, yet it would

be impossible for me to commit the Province to any action in this matter at the present moment."

2. Quebec.—Under date of Frebruary 17th, 1925, the Minister of Public Works and Labour (Hon. Mr. Galipeault) writes: "On the occasion of the recent visit of the delegates of the Trades and Labour Congress of Canada, this question was taken up and, although it was not submitted in the regular way to the Cabinet, I understood from the remarks of my colleagues, that it could be no question for the Province of Quebec, considering the obligations actually imposed upon it, of adopting a law which would take care of the old age pensions in this Province."

3. Nova Scotia.—Under date of June 2nd, 1925, the Premier (Hon. Mr. Armstrong) writes: "In view of the importance of the subject-matter, and the lack of an opportunity to fully consider the same, I was instructed to advise you that without a further and better understanding of the subject-matter and without an opportunity to fully discuss it with your Committee, no action would be taken upon the matter at present."

4. Prince Edward Island.—Under date of May 22nd,. 1925, the Premier (Hon. Mr. Stewart) writes: "In this Province, as you probably are aware, except in the towns, we have no municipal government, consequently all assistance to indigent and aged persons is furnished directly by the Provincial government, either in the Provincial Infirmary or by monthly contributions to private persons who become responsible for their support. I have read over your letter and the accompanying report with interest. I shall place the matter before my government at its next meeting and will then advise you of its decision."

5. Ontario.—Under date of 24th November, 1924, the Premier (Hon. Mr. Ferguson) writes: "I shall be glad to consider the matter."

6. Manitoba.—Under date of 25th February, 1925, the Attorney General (Hon. Mr. Craig) writes: "We are in the midst of our Session just now with the multiplicity of matters requiring immediate disposition. I shall, however, take up the matter with the Premier and the Minister of Public Welfare at the earliest opportunity."

7. Saskatchewan.—Under date of 19th November, 1924, the Minister of Labour and Industries (Hon. Mr. Gardiner) writes: "The Government of Saskatchewan is of opinion that an old age pension scheme for Canada can best be adopted by the Federal government alone. There would seem to be so much difficulty in the way of providing any scheme that would be suitable to all the nine provinces of Canada as to make it almost impossible, and it will be readily understood that if any number of the provinces were to remain out, it would be almost impossible to adopt any scheme that would not subject those provinces within the arrangement to considerable expense that should rightfully be borne by those outside the scheme. While we are disposed to think that an old age pension scheme should be undertaken, the difficulties in the way of the suggested scheme appear almost, if not entirely, insurmountable."

8. Alberta.—Under date of June 2nd, 1925, the Acting Premier (Hon. George Hoadley) writes: "This Government has reviewed the recommendations of the Committee and approve the general principle of old age pensions. We are not prepared, however, to accept the recommendations of the Committee. The three main objections are: (1) We believe that the Federal government should assume a larger share in the financing of an old age pension scheme as it is more a Federal obligation than a Provincial one; (2) We are not satisfied that a *non-contributing* scheme is the best one; and (3) There is no guarantee that the Federal government would continue for a definite time to carry out the mutual arrangements with respect to financing the scheme."

9. British Columbia.—Under date of February 5th, 1925, the Minister of Labour (Hon. Mr. Manson) writes: "This matter has been carefully considered by the Government and also by the Provincial Legislature at its last Session, and the consensus of opinion is that the matter of old age pensions is one entirely in the sphere of the Federal Parliament and this Government does not concur in the suggestion made by the Committee that a portion of the cost of such pensions be borne by the Provincial Crown."

In the resolution passed unanimously by the British Columbia Legislature on the 18th December, 1924, the following statement is noted: "State responsibility in the matter of the proper maintenance of aged citizens has been recognized by Great Britain, Australia, New Zealand, and a number of the nations of the continent of Europe."

In a letter dated March 5th, 1925, the Minister of Labour of the Province of British Columbia (Hon. Mr. Manson) writes:—

"I beg to say that the matter has had very serious consideration on the part of this Department and the opinion is confirmed that the matter of old age pensions is a subject for the consideration of the Federal and not the Provincial Parliament."

On June 2nd, 1925, the Premier of the Government of British Columbia (Hon. Mr. Oliver) writing to the Chairman of the Committee, Mr. Raymond, says: "Your explanation of how the proposed scheme was expected to work certainly tends towards a better understanding. Should the Parliament of Canada pass legislation along the lines suggested in your printed report of last year, I presume the question would then arise as to whether or not the Province would co-operate."

In view of the position taken by several of the Provinces and more particularly by Saskatchewan, Alberta and British Columbia, and having in mind what the British North America Act, under sections 91 and 92, defines, your Committee resolved to obtain an authoritative opinion from the Department of Justice in respect of the points thus raised, and on the 23rd of May last, the Deputy Minster of Justice replied as follows:—

"Referring to your letter of the 12th instant, asking to be advised with regard to the authority of Parliament to legislate on the subject of old age pensions, I may say that this subject does not fall specifically within any of the enumerated subjects given to the Dominion under section 91 of the British North America Act, but does in my judgment fall within the subject "Property and Civil Rights in the Province" committed to the provinces under section 92. I am of opinion, therefore, that the subject matter of pensions has been entrusted to the provincial legislatures rather than to Parliament. I do not mean to suggest that Parliament has not the power to legislate upon the subject so as to assist the provinces or to establish an independent voluntary scheme, provided that in either case the legislation does not trench upon the subject matter of property and

civil rights in the province, as for example by obligating any province or person to contribute to the scheme.

"The enactment of such legislation would, however, involve the assumption by the Dominion of obligations involving heavy expenditures with regard to a matter which does not fall specifically within the Dominion field of legislation."

Recommendations

Having given very careful consideration to the opinion submitted by the Department of Justice, and also to the respective views of the different provinces, your Committee have come to the following conclusions:—

Firstly, that if the Dominion Government were to proceed now with a scheme of old age pensions, it would have to be prepared to bear the entire expense, which would approximately amount to twenty-three million ($23,000,000) dollars annually, according to the data contained in your Committee's investigations.

Secondly, that in view of the present financial conditions and heavy taxation of Canada, your Committee would not feel warranted at the present moment in recommending such a large additional expenditure, annually.

Thirdly, that this measure of social reform, in the opinion of your Committee, is very important, and

Fourthly, that since it is the opinion of the Department of Justice that the matter is one coming under the jurisdiction of the Provinces, although open to assistance from the Federal government, your Committee, therefore, strongly recommend:

1. That the Federal government arrange with the Premiers of the different Provinces for a conference to be held during the coming Recess of Parliament at which an old age pension system shall be given the fullest consideration with a view to securing co-operative action, and that the report of the said conference be laid on the Table at the next Session of Parliament for future consideration and action.

2. That the Chairman of your Committee, and one other of its members who would be familiar with the subject matter, be invited to attend the said conference.

3. That a copy of this report be forwarded to each Premier of the several Provinces.

DISSOLUTION OF FIFTEENTH PARLIAMENT

MOTION FOR RETURN

Hon. Mr. TANNER moved:

That an Address do issue for a return of a copy of the order in council with reference to a dissolution of Parliament mentioned in the letter dated Ottawa, June 28, 1926, written by Rt. Hon. W. L. Mackenzie King, Prime Minister, to His Excellency Baron Byng of Vimy, at the time Governor General of Canada.

The motion was agreed to.

ALLIED INDIAN TRIBES OF BRITISH COLUMBIA

SPECIAL COMMITTEE—OMISSION

Hon. Mr. DANDURAND: In preparing the list of members of the Special Committee to inquire into the claims of the Allied Indian Tribes of British Columbia, to be sent to the House of Commons, the name of the Hon. Mr. Murphy was inadvertently omitted. Therefore, I beg to move:

That the name of the Hon. Mr. Murphy be added to the list of members of a Special Committee to inquire into the claims of the Allied Indian Tribes of British Columbia, and that a further message be sent to the House of Commons accordingly.

The motion was agreed to.

DEPARTMENT OF NATIONAL REVENUE BILL

FIRST READING

Bill 113, an Act respecting the Department of National Revenue.—Hon. Mr. Dandurand.

WAR CHARITIES REPEAL BILL

FIRST READING

Bill 114, an Act to repeal the War Charities Act, 1917.—Hon. Mr. Dandurand.

EXCISE BILL

FIRST READING

Bill 119, an Act to amend the Excise Act.—Hon. Mr. Dandurand.

CANADIAN NATIONAL RAILWAYS REFUNDING BILL

FIRST READING

Bill 121, an Act respecting the Canadian National Railways, and to provide for the refunding of certain maturing financial obligations.—Hon. Mr. Dandurand.

CROWN DEBTS BILL

FIRST READING

Bill 122, an Act respecting certain debts due the Crown.—Hon. Mr. Dandurand.

DIVORCE BILLS

THIRD READINGS

Bill Q3, an Act for the relief of Dorothy Helen Murray.—Hon. Mr. Willoughby.

Bill R3, an Act for the relief of Lotta Maria McGregor.—Hon. Mr. Willoughby.

Bill S3, an Act for the relief of Harriett Louisa May MacCarthy.—Hon. Mr. Willoughby.

Bill T3, an Act for the relief of Adelaide Mildred Maguire.—Hon. Mr. Willoughby.

Bill U3, an Act for the relief of Dmytro Pushkedra.—Hon. Mr. Willoughby.

Bill V3, an Act for the relief of Muriel Helen Louise Dunn.—Hon. Mr. Willoughby.

Bill W3, an Act for the relief of William Henry Poultney.—Hon. Mr. Willoughby.

Bill X3, an Act for the relief of Cecil Chester Richardson.—Hon. Mr. Willoughby.

Bill Y3, an Act for the relief of Bertha Amelia Bertelet.—Hon. Mr. Willoughby.

Bill Z3, an Act for the relief of James Edward Barnaby.—Hon. Mr. Willoughby.

Bill A4, an Act for the relief of Evelyn May Bateman.—Hon. Mr. Willoughby.

Bill B4, an Act for the relief of Fannie Louise Dance.—Hon. Mr. Willoughby.

Bill C4, an Act for the relief of Sarah Simpson.—Hon. Mr. Willoughby.

Bill D4, an Act for the relief of Percy Compton.—Hon. Mr. Willoughby.

Bill E4, an Act for the relief of Hazel Green Anderson.—Hon. Mr. Willoughby.

PRIVATE BILLS

THIRD READING

Bill P2, an Act respecting Commercial Travellers' Mutual Insurance Society.—Hon. Mr. Black.

SECOND READING

Bill 72, an Act respecting a certain patent of Enos Henry Briggs.—Hon. Mr. McMeans.

INDIAN ACT AMENDMENT BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 56, an Act to amend the Indian Act.

He said: Honourable gentlemen, this Bill contains many amendments to the Indian Act, and it would be useless for me to deal with each of them at this stage. I would suggest that we pass the second reading and that the explanation of each amendment to the Act may be given in Committee of the Whole.

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

ST. REGIS ISLANDS BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 55, an Act to provide for special control by the Superintendent General of Indian Affairs of certain islands in the St. Lawrence River being part of the St. Regis Indian reservation.

He said: Honourable gentlemen, the St. Regis band of Indians owns from time immemorial, certain islands in the county of Huntingdon, opposite the town of Cornwall. They do not live on these islands. They leased at a nominal rental a century ago, and the various leases include the right of renewal for another hundred years. The Department, feeling that the leases should not be renewed and that their continuation could be prevented by law, applied to the courts and obtained the cancellation of some of them, but a couple of cases are still pending before the courts.

By virtue of this Bill the Department asks the right to deal with the islands in so far as the re-leasing of them is concerned, and asks that it be empowered to do so without the necessity of obtaining a surrender of the islands from the band. Those who know anything of Indian lands are aware that ordinarily the band must be consulted about such matters. These pieces of land are exceptionally situated, inasmuch as they do not form part of the reserve inhabited by the band. They are small islands which could be leased for summer residences at much larger rentals than have been derived from the leases made a hundred years ago. The Department feels that there would be much scheming and wrangling among the Indians and considerable difficulty in having them agree upon the party who should be granted a lease. They would perhaps agree upon the figure, but if many persons were desirous of obtaining a lease there would be inside the band a good deal of wire-pulling for the purpose of influencing the decision one way or another. The Department thinks that in the interest of the band itself the proposed exception to the general practice should be allowed. For this reason I move the second reading of this Bill.

Hon. Mr. ROBERTSON: May I inquire of my honourable friend whether or not any attempt has been made to induce the band of Indians owning this property to agree to its future administration by the Department of Indian Affairs?

Hon. Mr. DANDURAND: I have read all the debate on this matter in another place, and have not noticed any inquiry on that point. We can perhaps obtain the information before the Committee stage.

Hon. Mr. ROBERTSON: I should be glad if my honourable friend could obtain that information. The thought occurs to me that this is a rather drastic measure and may be open to some question as to the advisability of Parliament by law taking control of this property belonging to the Indians without even consulting them. If they have been consulted and a reasonable agreement has been found impossible to obtain, there is perhaps justification for the method proposed, but I would like to have some information on that point.

Hon. Mr. DANDURAND: I will obtain that information for the next stage of the Bill.

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

SOLDIER SETTLEMENT BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 61, an Act to amend the Soldier Settlement Act.

He said: Honourable gentlemen, the Senate gave considerable study to this Bill when it came before us last Session. It had had a somewhat difficult career in passing through the other House. There were two or three sets of amendments, and the Bill had to be reprinted a few times before it reached us. Then the Senate amended it in various respects. The amendments made last year by the Senate have been mostly adopted by the Government and the Commons, but there is one exception of no mean importance. The Bill as it now comes to us provides that lands sold to soldiers and financed by the Board may be revalued upon application to the Board. If the parties agree the Department may enter into a new contract; but if the parties do not agree there may be an appeal to an arbitral court to be composed of a County Court Judge, a representative of the Department, and a representative of the soldier claiming a revision of the price of his land. Last year the Senate decided that that appeal should go to the Exchequer Court. I confess that I have not before me the Bill as introduced in the Commons a few weeks ago, but I know that it was not in the form in which it now comes before us. The commons have agreed upon restoring the appeal to an arbitral committee, the chairman of which is to be a County Court Judge.

As the remainder of the Bill is on the same lines as when it left this Chamber last year, I need not give in detail the reasons for it; but, as we have some newcomers in the House, I may explain that in certain cases land was sold to the soldiers at boom prices. It is alleged that some land of inferior quality was sold at exorbitant figures. A few thousand of the soldiers have fallen behind with their payments of interest and capital. The Department is well aware of those cases, and it is felt that if there were no revaluation a number of the purchasers would abandon their land, or that foreclosure would become necessary, and the Department would have to find new purchasers. Parliament has thought it well to give the present holders of the property an opportunity of showing that they paid too much for their land, and, if that is proven, to make an allowance which would bring the price to a fair value. Parliament has already reduced the indebtedness of the soldiers on stock purchased by them; so the principle has been admitted, and I thnik there need be no discussion as to the propriety of moving in this direction. The question is as to the modus operandi.

Hon. W. B. ROSS: Honourable gentlemen, there is no reason that I know of why this Bill should not receive its second reading, because we agreed last year, and I think we probably agree again, that something must be done along this line.

The fact about the Bill is that it was introduced in the other House this session in the form in which it left the Senate last year, but the Minister, I understand, was prevailed upon to lay aside the amendments that we made last year and to restore the Bill to the form in which it was originally sent to us.

Hon. Mr. DANDURAND: Bearing on that point.

Hon. W. B. ROSS: Yes. The main point of the Bill has to do with the arbitral board, as has been stated by the honourable leader of the House. Under the Bill as it came to us last year there would be a special court for each particular case, owing to the fact that each man having a claim would have the right to name his own arbitrator and this would possibly result in great expense. We did not know how long one of those boards might protract the time it gave to the consideration of a claim. We felt that if there were only one board it could go over the matter and in a day or two settle upon the principle to be adopted, which is the main factor in determining the award; whereas if there were to be a distinct board for each case that process would have to be repeated innumerable times. We felt that that would be very unsatisfactory, and that it might be very slow and very costly.

Another difficulty was the fact that if there were a distinct board for every case there would probably be a variety of decisions; the boards might not all act on the same principle; and when the settlers came to compare their awards thereafter great dissatisfaction might ensue, possibly necessitating a further Bill being brought before Parliament to adjust the situation.

It was pointed out last year that the Exchequer Court had been at arbitration work ever since its inception; that one of the main purposes of its existence was to assess dam-

ages in railway cases and matters of that kind. One of the judges of that Court, it is admitted throughout Canada, has a unique knowledge of such questions; so this House determined that he should have the settling of these disputes. I see no reason why we should not go back to that method and give him the power to make regulations, and choose assessors if he sees fit. There would be this advantage, that the work would be done more quickly, it would be uniform, and would be very much cheaper. For these reasons I hope that in the public interest, and that alone, this House will insist on our amendment being restored.

For the benefit of honourable members who have not before them the material that was before us last year I would like to show the changes we shall have to consider when we go into Committee to-morrow. From paragraph e of section 68 all the words after the word "section" in line 15 were struck out, and these words substituted:

And if any applicant is dissatisfied with the decision of the Board, he may, within such time as is prescribed by regulations made by the Governor in Council, appeal to the Exchequer Court of Canada and the decision of that court shall be final.

That is what we substituted for the committee of three, consisting of the judge of the county or district court and the other two men mentioned in paragraph e of the Bill. That is the chief point.

Another difference is that last year we made paragraph c of section 68, read as follows:

(c) The depreciation in value to be determined shall be the diminution, not due to neglect or mismanagement on the part of the settler, in the present value of the land and the improvements sold to the settler, as compared with the price at which the settler agreed to purchase the said land and improvements from the Board.

That requires a little study. I am now only stating what was the position last year, because the two paragraphs must be put side by side in order that the difference may be understood. This point is not so important as the other, and so far as I am concerned I would not think of dividing the House or making any great row about it, but I think that some honourable gentlemen on the other side of the House reconstructed the section, and the amendment which they proposed met with approval on this side.

These remarks cover the whole matter with the exception of paragraph h of section 68. We struck it out and inserted these words:

(h) The Board may, with the approval of the Governor in Council, make regulations as may be necessary for the execution of the purposes of this section.

That was to enable the Governor in Council to give the Exchequer Court judge power to decide what procedure should be followed.

In paragraph (i) of section 68, providing for the reinstatement of the settler in certain cases, there appears the word "repurchasing", referring to the land which the settler agreed to purchase from the Board. That word should be replaced by the words "returning to." It was thought that this was the best phrase to use in relation to the man who wanted to go back to his land.

I do not think these changes affect the general principle of the Bill, and I do not see why it should not get the second reading, but these points should be brought up in Committee. The clauses I have read will appear in Hansard, and honourable members will have the whole matter before them, and will know what to do, whether to insist on the amendments of last year, or take the Bill as it is.

Apart from these points, I agree to the second reading.

Hon. Mr. McMEANS: Is this Bill to be referred in the usual way to a Committee of the Whole House, or to a Special Committee? If the latter, I was going to suggest the same committee as last year. They spent a great deal of time on the Bill, and gave close attention to it. They examined at great length the Chairman of the Soldier Settlement Board, and ascertained the number of cases that had arisen in the different provinces. I think there were some 12,000 cases outstanding at that time to be adjudicated, but in consequence of the evidence received from the Chairman of the Board the Committee concluded that he could personally settle 10,000 of the cases, and only about 2,000 would remain, and of these the Chairman thought he might possibly be able to settle the majority.

If the leader of the Government is willing to accept the suggestions made by the leader on this side of the House as to the amendments, there would be no necessity for the Bill going before any Special Committee, but if it is decided that the whole matter should be considered again, of course the Committee of the Whole House would take it up.

Hon. Mr. DANDURAND: It was quite in order last year to have this Bill examined in Committee so that direct information might be obtained from the officials of the Department who had most to do with the administration of the Act; but since we have had all the experience of last year, and since the principal matter of dissent is limited to prac-

tically one point, that of the constitution of the tribunal, it seems to me that we can well deal with the measure in Committee of the Whole.

Hon. Mr. BEIQUE: Honourable gentlemen, the honourable leader on the other side of the House (Hon. W. B. Ross) has properly explained the Bill as passed by this honourable House last year. I understand that all the amendments were accepted last year by the other House. The Committee to which the Bill was referred gave great attention to it. It was found that there were some 11,000 cases in which application might be made for arbitration. If the practice were adopted of allowing each applicant to name his own arbitrator the door would be opened to the creation of a great number of different tribunals, and the Committee thought that these might involve a very large expenditure, possibly reaching millions of dollars. That was one point.

The Committee found that the Board had followed very closely each of the soldiers coming under the provisions of the Act, and had valuable information in regard to the financial position in each instance; therefore the Committee and this House decided that the best course would be to leave it to the Board to decide each case, but to give to the applicant the right of appeal. This appeal should be to the Exchequer Court, and the last provision to which the honourable gentleman called attention was inserted in the Bill with the view to facilitating these appeals. In the discussion here the view was expressed that it should not be necessary for the appellant to come to Ottawa at all; under those regulations the appeal could be made by correspondence, so that it would be very easy for any applicant to exercise his right of appeal without any expense.

For my part, I think the amendments were in the proper direction. One of the points which this House had in mind last year was that the plan first suggested would lead to a large expenditure, and also to a number of different judgments or awards resting on altogether different principles. In a province, or part of a province, one tribunal might decide in one way, and in another province, or some other part of the same province, a tribunal might decide differently, so that uniformity would be destroyed altogether and dissatisfaction created. For these reasons our Committee reported the amendments, which were adopted by this honourable House and approved by the House of Commons.

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

Hon. Mr. DANDURAND.

DIVORCE BILLS

FIRST READINGS

Bill G4, an Act for the relief of Helen Pettit Bruce.—Hon. Mr. Willoughby.

Bill H4, an Act for the relief of Hugh Devlin.—Hon. Mr. Willoughby.

Bill I4, an Act for the relief of Charles Wilson.—Hon. Mr. Willoughby.

Bill J4, an Act for the relief of Josephine Rae Ennis.—Hon. Mr. Willoughby.

Bill K4, an Act for the relief of Della Laurel Cox.—Hon. Mr. Willoughby.

Bill L4, an Act for the relief of Rose Glucksberg.—Hon. Mr. Willoughby.

Bill M4, an Act for the relief of Murray Richard Minler.—Hon. Mr. Willoughby.

Bill N4, an Act for the relief of John Leslie MacLellan.—Hon. Mr. Willoughby.

Bill O4, an Act for the relief of Elizabeth Brown.—Hon. Mr. Willoughby.

Bill P4, an Act for the relief of Matilda Emily Cantrell.—Hon. Mr. Willoughby.

Bill Q4, an Act for the relief of Mary Ellen Walker.—Hon. Mr. Willoughby.

Bill R4, an Act for the relief of Edwin Walter Wood.—Hon. Mr. Willoughby.

Bill S4, an Act for the relief of Harriett Robinson.—Hon. Mr. Willoughby.

Bill T4, an Act for the relief of Homera Emilie Hodgson.—Hon. Mr. Willoughby.

Bill U4, an Act for the relief of Paul Elester Scarr.—Hon. Mr. Willoughby.

Bill V4, an Act for the relief of Ronald Lorne Johnston.—Hon. Mr. Willoughby.

Bill W4, an Act for the relief of Eva O'Neill. —Hon. Mr. Willoughby.

Bill X4, an Act for the relief of Mabel Beatrice Nash.—Hon. Mr. Willoughby.

Bill Y4, an Act for the relief of Isabella Emily Blue.—Hon. Mr. Willoughby.

Bill Z4, an Act for the relief of Cherie Amy Aston.—Hon. Mr. Willoughby.

Bill A5, an Act for the relief of Ida Gertrude LeFevre.—Hon. Mr. Willoughby.

Bill B5, an Act for the relief of Ines Mary Pitcher.—Hon. Mr. Willoughby.

Bill C5, an Act for the relief of Charles Murray Mutch.—Hon. Mr. Willoughby.

Bill D5, an Act for the relief of Estelle Henrietta Cartwright.—Hon. Mr. Willoughby.

Bill E5, an Act for the relief of Ronald Ross File.—Hon. Mr. Willoughby.

Bill F5, an Act for the relief of Grace Mantle.—Hon. Mr. Willoughby.

Bill G5, an Act for the relief of Emma May Ryan.—Hon. Mr. Willoughby.

Bill H5, an Act for the relief of Muriel Martha Hammond.—Hon. Mr. Willoughby.

Bill I5, an Act for the relief of Anna Mae Francis.—Hon. Mr. Willoughby.

Bill J5, an Act for the relief of Harold James Hubbard.—Hon. Mr. Willoughby.

Bill K5, an Act for the relief of Indiaetta Muriel Taylor.—Hon. Mr. Willoughby.

Bill L5, an Act for the relief of William Arthur Dillabough.—Hon. Mr. Willoughby.

Bill M5, an Act for the relief of James Alfred McCabe.—Hon. Mr. Willoughby.

Bill N5, an Act for the relief of Frederick George Jones.—Hon. Mr. Willoughby.

Bill O5, an Act for the relief of Manford York.—Hon. Mr. Willoughby.

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

THE SENATE

Wednesday, March 16, 1927.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Bill Q5, an Act for the relief of Queenie Isobel Parks.—Hon. Mr. Willoughby.

Bill R5, an Act for the relief of Charles Shedrick Phillips.—Hon. Mr. Willoughby.

Bill S5, an Act for the relief of Lavina Harrison.—Hon. Mr. Willoughby.

Bill T5, an Act for the relief of Marretta Isobelle Grose Leach.—Hon. Mr. Willoughby.

Bill U5, an Act for the relief of Mabelle Amelia Bulmer.—Hon. Mr. Willoughby.

Bill V5, an Act for the relief of John Lauron Garfield Evans.—Hon. Mr. Willoughby.

Bill W5, an Act for the relief of Ernest Arthur Kingston.—Hon. Mr. Willoughby.

Bill X5, an Act for the relief of Norah Louise Patricia Campbell Chauvin.—Hon. Mr. Willoughby.

POSSESSION OF WEAPONS BILL

REPORT OF SPECIAL COMMITTEE

Hon. Mr. BELCOURT moved concurrence in the report of the Special Committee on Bill A, an Act to amend certain provisions of the Criminal Code respecting the possession of weapons.

He said: Honourable gentlemen, this Bill is exactly the same, not as when it left this Chamber last year, but as it was after the Committee of the other House had given it a thorough examination. It was standing for the Royal Assent, which it did not receive, for reasons which we all know. I would ask, therefore, that with the leave of the Senate the Bill be read the third time and passed to-day.

The only change made in the Bill by the Committee this morning was to add to the exempted classes the employees of banks and express companies, so that under the direction of the president they may be provided with firearms whilst on duty.

The motion was agreed to.

THIRD READING

Hon. Mr. BELCOURT moved the third reading of the Bill.

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

PRIVATE BILL

FIRST READING

Bill P5, an Act respecting a certain patent of R. T. Vanderbilt Company.—Hon. Mr. Belcourt.

ACCOMMODATION IN THE SENATE

NOTICE OF MOTION

On the notice:

By the Honourable Mr. Dandurand:

That a Select Committee be appointed to consider and regulate the invitations and seating of guests in the Senate Chamber at the Opening and Closing of Parliament, and the possibility of enlarging the galleries of the Senate.

That the Committee be composed of the Honourable the Speaker, and the Honourable Messieurs Belcourt, Sharpe, White (Inkerman), and Watson.

Hon. Mr. DANDURAND: Honourable gentlemen, I desire to modify this motion as to the personnel of the Committee, and will do so in the form of a notice of motion, that the Committee be composed of the Hon. the Speaker and the Hon. Messieurs Beaubien, Belcourt, Hardy, Macdonell, McDougald, and White (Inkerman).

I may say that there has been no Committee of the Senate charged with the responsibility of looking after the accommodation of members in the various rooms of the Senate. It appears that some authority or some Committee should be given powers for that purpose, and it has been suggested that we appoint a committee of Senators to advise and help the honourable the Speaker in the apportionment of rooms in the Senate building. Hence this notice. Many Senators have come to me to complain about their situation, but I was unaware that I had any power in the matter. I think similar requests have been made to my honourable friend opposite (Hon.

W. B. Ross), as well as to His Honour the Speaker. Probably a Committee such as I suggest would be able to solve this problem.

Hon. Mr. McMEANS: Has the honourable gentleman chosen the members of that Committee from the different provinces?

Hon. Mr. DANDURAND: I have not. It is composed of the members whose names appear in the first notice. If anyone were to suggest some other names, it might be well to carry out the suggestion.

Hon. Mr. McMEANS: It is not a question of the names; it is a question of the representation of the different provinces. Members for Manitoba or Saskatchewan or Alberta might like to have their offices together.

Hon. Mr. DANDURAND: If the Committee should be selected on those lines, I will not give notice for the appointment of the second Committee now, but will postpone it, and simply give notice for the first Committee.

Hon. W. B. ROSS: For the benefit of the honourable member from Winnipeg (Hon. Mr. McMeans) I may say that the selection and appointment of committees by provinces has been tried, and has proved very difficult. There are nine provinces, and consequently you get very big committees. The most practical way, I think, is to make the appointments according to the senatorial divisions. I know that two or three years ago that practice was followed by the late leader of the Senate.

Hon. Mr. DANDURAND: Does my honourable friend suggest that instead of each province being taken as a unit the senatorial districts should be taken?

Hon. W. B. ROSS: Yes.

Hon. Mr. CASGRAIN: With the Speaker as chairman.

Hon. Mr. DANDURAND: I shall be ready to accept suggestions when the sitting is over, and to proceed on the lines proposed by the honourable gentleman from Middleton (Hon. W. B. Ross).

The Hon. the SPEAKER: I understand that the honourable gentleman is giving notice in both cases.

Hon. Mr. DANDURAND: No, I am giving only the one notice. The other I am postponing.

The Hon. the SPEAKER: Then the motion that stands on the Order Paper will be withdrawn?

Hon. Mr. DANDURAND: Yes. I am not proceeding with that. I am giving a new notice. The present notice will be dropped.

Hon. Mr. DANIEL: I have understood that there was a law, written or unwritten, that the choice of quarters was according to seniority of appointment. Has a Committee any authority to overrule that law?

Hon. Mr. DANDURAND: I take it for granted that seniority would have an important bearing on their decisions, but a still greater consideration would be the convenience of members.

Hon. Mr. DANIEL: They will be very hard to satisfy.

PRIVATE BILLS

SECOND READINGS

Bill 43, an Act respecting the Ottawa Electric Company.—Hon. Mr. Haydon.

Bill 44, an Act respecting the Ottawa Gas Company.—Hon. Mr. Haydon.

Bill 74, an Act respecting the Canadian Transit Company.—Hon. Mr. Rankin.

Bill 76, an Act respecting La Compagnie du chemin de fer de Colonization du Nord. —Hon. Mr. Casgrain.

INDIAN ACT AMENDMENT BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand the Senate went into Committee on Bill 56, an Act to amend the Indian Act.

Hon. Mr. Beaubien in the Chair.

Hon. Mr. DANDURAND: I would like Mr. Williams to come to the floor.

On section 1—if capital does not exceed $2,000:

Hon. Mr. DANDURAND: In the province of British Columbia alone there are approximately one hundred bands whose capital ranges from $9.17 to $2,000. The annual interest on such funds is negligible. Many of these bands consist of very few members, and in some instances there is no occasion for the expenditures enumerated in the said subsection. The purpose of the proposed amendment is to enable the Governor in Council to dispose of small capital accounts among the Indians interested in any way whatever that may be deemed to be for their benefit, even to a cash distribution of the account among the members of the band.

Section 1 was agreed to.

On section 2—regulations:

Hon. Mr. DANDURAND: There is an enlargement of the clause relating to the operation of pool rooms, etc. The Department has received complaints with regard to abuses in connection with the operation of pool rooms, dance halls, and other places of amusement on Indian reserves, and it is desired to have authority to regulate such matters.

Section 2 was agreed to.

On section 3—disorderly conduct:

Hon. Mr. DANDURAND: This is on the same lines. It is desired to give the Indian Councils power to deal with cases of disorderly conduct and nuisances on their reserves. It is considered that this will better serve their needs than the present verbiage "repression of intemperance and profligacy," which has given rise to some confusion as to the scope and powers of the Councils. The procedure with respect to intoxicants on reserves is fully covered by the clauses of the Indian Act relative thereto. The term "profligacy" is somewhat vague. Offences against morality are dealt with under the provisions of the Criminal Code which obviates the need of conferring special powers on Indian Councils with respect thereto. These new terms are much wider, and will allow greater authority for the maintenance of order.

Hon. Mr. DANIEL: Has the word "nuisances", in this section, any technical legal significance or interpretation?

Hon. Mr. BELCOURT: Yes. In the Criminal Code.

Section 3 was agreed to.

On section 4—acquisition of totem poles, etc., forbidden; penalty:

Hon. Mr. DANDURAND: There is a considerable attempt made by tourists in various parts of the country, and more especially in British Columbia, to buy these totem poles, grave poles, and other articles that represent an older civilization. It is felt that these should be preserved for Canada, and this regulation was made to prevent the sale and exportation of those things.

Section 4 was agreed to.

On section 5—certificate of analyst to be accepted as evidence:

Hon. W. B. ROSS: Would it not be possible to improve that section by requiring that the certificate of the analyst referred to there should be accompanied by a statutory declaration? It seems pretty high-handed to produce a certificate of an analyst and say that is evidence. There should be some little protection in order to make people careful if they intend to use those certificates in court.

Hon. Mr. DANDURAND: The only information I have is the note which accompanies this Bill. It says that from the reports of the Royal Canadian Mounted Police officers with respect to prosecutions for selling intoxicants to Indians it appears that from time to time cases have been dismissed by magistrates on the ground that there was no provision in the Indian Act for the admission as evidence of certificates of analysts filed by the police in these cases. It would be a matter of considerable expense to summon the Government analyst who gives the certificate to attend court in a remote part of a province. This amendment removes the difficulty by making the certificate of the Government analyst evidence in itself.

My honourable friend suggests that the certificate should be accompanied by an affidavit, but, subject to correction, I think the analyst is under oath in making his analysis.

Hon. W. B. ROSS: If so, that would be sufficient.

Hon. Mr. BELCOURT: Perhaps I could suggest something which would meet my honourable friend's views and at the same time be generally acceptable. Under the provisions of this section as it stands the certificate would not only be prima facie, but it would be conclusive evidence. Why not simply make it prima facie evidence? That would give the party complaining the right to examine the analyst if he desired to do so. I would suggest that the section read:

> In any prosecution under this Act the certificate of analysis of a provincial or dominion analyst shall be accepted as prima facie evidence of the fact stated therein...

It would be taken merely as prima facie evidence, so that, if so desired, it might be contradicted by some other testimony.

Hon. Mr. DANDURAND: I have no objection to this amendment.

Hon. Mr. BELCOURT: I will move that.

The Hon. the CHAIRMAN: It is moved that in the third line of new section 146A in section 5 of the Bill, the words "prima facie" be placed before the word "evidence."

The amendment was agreed to.

Section 5 as amended was agreed to.

On section 6—receiving money for the prosecution of a claim:

Hon. Mr. DANDURAND: There have been considerable abuses in this connection. People have been allowed to enter those reserves, and under all kinds of representations have obtained money from the Indians there. For several years past complaints have been made to the department with respect to persons visiting Indian Reserves and collecting money for the purpose of prosecuting some alleged claim. Recently the R.C.M. Police arrested at Caughnawaga two Americans and two Canadians who were collecting money for the prosecution of an alleged claim of the Six Nations Confederacy against the State of New York in respect of lands formerly in the occupation of the Six Nations. Visits of this kind have taken place from time to time among the Indians at the Oneida Reserve in the province of Ontario, at St. Regis, Caughnawaga, Oka and even at the Reserve of the Huron Indians, in the province of Quebec. All sorts of representations have been made to these Indians to induce them to contribute and it appears that several thousands of dollars have been collected in this way. The charge laid against these four persons who were recently arrested at Caughnawaga was that of obtaining money from these Indians under false pretence. We are advised, however, that owing to the technicalities of this charge there is a possibility of these people being acquitted, and, if so, they will likely continue the collection of funds as heretofore from many of the most needy and unenlightened Indians of the bands. The purpose of this amendment is to prevent a continuance of taking money from the Indians in this way.

Hon. W. B. ROSS: I have no objection to this section. I think it is good.

Section 6 was agreed to.

Section 7 was agreed to.

The preamble and the title were agreed to.

The Bill was reported as amended.

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

ST. REGIS ISLANDS BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 55, an Act to provide for special control by the Superintendent General of Indian Affairs of certain islands in the St. Lawrence river being part of the St. Regis Indian reservation.

Hon. Mr. Belcourt in the Chair.

Hon. Mr. DANDURAND: My honourable friend the late Minister of Labour (Hon. Mr. Robertson) asked me if there had been any attempt by the Department to obtain the consent of the Indian bands at St. Regis to the Department leasing those islands, when they are freed from the present leases, without submission to the band. The answer the Department gives me is that no such attempt has been made, for more than one reason. They are expecting judgment in the case of two islands that are still under the old leases, and since they have obtained judgment freeing the other islands from those leases, they hope that a similar judgment will be rendered in the cases of these two remaining islands. When this is done the Department will be in a position to deal with all those islands. The Department has not approached the band, because for a number of years the band has refused to have any dealings with the Department, and they have systematically abstained from appointing a Council; so there is no council at St. Regis. The Department is quite convinced that it could not succeed in getting a satisfactory answer from the Indians if it appealed to them to surrender their rights in those islands, so that the Department might lease them in the interest of the band. There would be agitators who would try to prevent the surrender of those islands, and in the meantime the Indians, at least the most aggressive amongst them, would jump into those islands and commit depredations by cutting wood standing on those islands, which gives them value as summer resorts, or they would try to take possession as squatters there. The Department is convinced that it would simply mean chaos.

Under those circumstances they appeal to Parliament, in the interests of the band as a whole, to allow the Department to deal with those islands and lease them in the best interests of the band itself.

Hon. Mr. DANIEL: On what ground is it expected that these leases will be declared null and void? They were made a great many years ago, and I presume the lessees have invested money there, and they must have some vested property interests. The Bill here makes no allusion to anything of that kind at all. On what ground is it expected that those lessees would be put out of court?

Hon. Mr. DANDURAND: Of course, I do not know as I have not the judgments before me, but there was a contested case. There were three actions taken to end those leases at the expiration of a hundred years, and a judgment was rendered in one case annuling the lease, putting an end to it. The other two parties who were sued and who had been in possession of the two neighbouring islands abandoned the contest and confessed judgment. So there are three judgments entered which have freed the Department and the Indians from those leases and there are two judgments now being awaited upon the two remaning islands. I have not the judgment which settled the matter and gave the reasons why those leases should end there.

Hon. Mr. BEIQUE: No doubt it is because under the law of Quebec a lease cannot be made beyond 99 years.

Hon. G. G. FOSTER: Will my honourable friend tell me if the case in which judgment was given is the case of Donald Macmaster?

Hon. Mr. DANDURAND: Yes, it is.

Section 1 was agreed to.

Sections 2, 3 and 4 were agreed to.

The preamble and title were agreed to.

The Bill was reported.

THIRD READING

Hon. Mr. DANDURAND 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

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 61, an Act to amend the Soldier Settlement Act.

Hon. Mr. Stanfield in the Chair.

Paragraphs a and b of new section 68 were agreed to.

On paragraph c, new section 68—how depreciation shall be computed:

Hon. W. B. ROSS: Mr. Chairman, we changed this paragraph last year, making what we thought, and I still think, is a simpler definition of depreciation. The clause that we inserted in place of this paragraph c reads in this way:

The depreciation in value to be determined shall be the diminution, not due to neglect or mismanagement on the part of the settler, in the present value of the land and the improvements sold to the settler, as compared with the price at which the settler agreed to purchase the said land and improvements from the Board.

It is very simple. The trouble is that in many cases the original price was in our opinion too high, or the value has depreciated, until the price is out of proportion with the existing value. In arriving at the proper valuation, assuming that the settler was not guilty of neglect or mismanagement, you simply take the price which he agreed to pay for the land and improvements, compare it with the present value, and find the compensation due to him. The clause as we had it is simpler than in the present Bill, and I would suggest that we substitute it.

Hon. Mr. DANDURAND: I thought that phraseology was quite clear, and I interpreted it as my honourable friend does; but others felt great difficulty in understanding the wording, and, although there was some reluctance in yielding to an amendment, an effort was made to satisfy them with some other formula. If the wording now in the Bill means exactly the same thing, I suggest that we leave it as it is, in order not to encounter the hostility of those who have found difficulty in understanding the draft of last year.

Paragraph c now reads:

The depreciation in value to be determined shall be the amount by which, through no neglect or mismanagement on the part of the settler, the price at which the Board agreed to sell the land and improvements to the settler exceeds the amount representing the present value of the said land and improvements.

I think it means the same thing; it is simply another way of putting it.

Hon. Sir ALLEN AYLESWORTH: It occurs to me that the section might be a little clearer in meaning if, from the line before the last on the page, the last three words were omitted altogether, so that it would read that the depreciation shall be the amount by which the price at the time of purchase exceeds the present value. The words "the amount representing" would be left out of the clause.

Hon. W. B. ROSS: Yes. Those words are not necessary.

Hon. Mr. DANDURAND: Has the honourable gentleman taken note of the suggested amendment?

Hon. W. B. ROSS: In the last line but one strike out the words "the amount representing". That will shorten it up.

The Hon. the CHAIRMAN: Shall the clause carry, as amended?

Hon. Mr. TAYLOR: Just a moment, Mr. Chairman. There is another question that I should like to ask the honourable gentleman in charge of the Bill. I refer to the top of page 2:

In determining the present value of the land, improvements made by the settlers shall not be included; provided that in any case where the actual sale price is greater than the maximum amount which under section 16 of this Act may be advanced by the Board in the purchase of land on behalf of any settler, such maximum amount shall be deemed the sale price for the purposes of this section.

Subject to correction, I think that the soldiers themselves advanced one-tenth of the purchase price in any case in which it could be extracted from them. If that is the fact, does not this section mean that that one-tenth is to be confiscated?

Hon. Mr. GRIESBACH: I think this section has reference to the case of a soldier settler who agreed to pay more than the Board was willing to pay at the time.

Hon. Mr. TAYLOR: That is not my point at all. My point is entirely different. As I said, I am under the impression that in every case in which ten per cent could be got from the settler it was obtained from him. If land was purchased for $1,000 and ten per cent was paid by the settler, the Board advanced him only $900; and this section says in effect that now we are to take $900 as the full purchase price; so if the land is diminished $100 in value the settler will get nothing. I do not think that is what is intended.

Hon. Mr. DANDURAND: I do not believe that the case the honourable gentleman gives would be covered by the present clause. As far as my memory carries me, and from reading the clause, it is my opinion that it simply covers the cases in which the purchase price is greater than the amount agreed to by the Department.

Hon. Mr. TAYLOR: That is another point altogether.

Hon. Mr. CALDER: It seems to me that this is to cover cases of this kind. Under the law, as I understand it, the Government restricted the advance to any settler for the purchase of land to say, $6,000 and in some cases the settlers, on the other hand, decided to purchase land worth $10,000. This simply means that when you come to consider the value of the land the purchase price shall be taken as $10,000, and not $6,000. The law restricted the amount that could be advanced to any settler; it did not debar the settler from purchasing the land at a greater amount than that, but he had to provide the difference himself. So, when you come to consider the original price of the land, it is not the amount the Government advanced, but the total price of the land.

Hon. Mr. TAYLOR: With all due deference, that is not the point I raised just now. We discussed that last year, but I do see an answer on this point. The section says:

—greater than the maximum amount which under section 16 of this Act may be advanced by the Board.

Now, it is just possible that, although the Board did collect ten per cent from the settler, it had authority to advance the whole amount. If so, the point I have been raising disappears. If not, then the soldier is losing the advantage of the ten per cent he paid. I think before passing this section we ought to know what section 16 provides.

Hon. Mr. BEIQUE: I do not think that this portion of the section would affect the case of the settler who had paid ten per cent of his own money. The whole matter is governed by the price at which the Board authorized the purchase to be made, and if the soldier paid part of the money it would cut no figure at all. If he paid more for the land than he was authorized to pay, it was his own funeral. That question was raised last year.

Hon. Mr. TAYLOR: This is a question as to whether or not the Board had the right to advance one hundred per cent of the purchase price. The practice was for the settler to pay ten per cent as an earnest of his good faith. If the Board had the right to advance the whole one hundred per cent, there is nothing in the point I am raising; if the Board had not the right to advance more than nine-tenths of the one hundred per cent, then there is something in this point, and we ought to know it.

Hon. Mr. DANDURAND: With my honourable friend's consent we will leave that paragraph in suspense. I thought we would meet with but one difficulty in this Bill, as we had adopted it last year in its present terms except as they relate to the courts of appeal. My memory is not as good as I thought it was; I thought it would carry me through the Bill. However, before we come out of Committee I will get the information my honourable friend is seeking.

Paragraph (c) stands, as amended.

Paragraph (d) was agreed to.

On paragraph (e)—Board to determine depreciation in value, Arbitration Committee:

Hon. Mr. McLENNAN: Is there any change in this from the Bill that we passed last year? At that time the appeal went to the Judge of the Exchequer Court.

Hon. Mr. DANDURAND: I explained yesterday that the House of Commons had returned to the procedure approved by that House last year, and had replaced the Exchequer Court by Arbitration Boards which would each be headed by a County Court Judge.

Hon. W. B. ROSS: Mr. Chairman, this is really the most important feature of the Bill, as far as I can see, subject to some explanation being given of paragraph (c), which is becoming a little more mysterious to me. If honourable gentlemen will look at paragraph (e), on page 2, beginning at line 15, they will see this provision:

—and unless the Board and the Settler agree within one month thereafter on the amount of the depreciation in value such amount shall be finally fixed and determined by an Arbitration Committee appointed by the Minister and selected as follows: The Chairman shall be the Judge of the County or District Court or in the Province of Quebec the Superior Court having jurisdiction in the judicial district in which the land is situate, one member nominated in writing by the Settler, and one member nominated in writing by the Board, and the members of the Arbitration Committee, when appointed, shall have all the powers and authority of a Commissioner under the Inquiries Act.

Under that provision there may be, and there is almost sure to be, a distinct arbitral court for each case, with the possible result, as I pointed out yesterday, that the proceedings may be very costly, and that different courts may act on different principles. For that reason we thought last year—I do not think the idea originated with me; I think there was complete agreement on both sides of the House—that we could improve that clause by striking out everything from the words "and unless" down to the end of the paragraph, and inserting:

—and if any applicant is dissatisfied with the decision of the Board he may, within such time as is prescribed by regulations made by the Governor in Council, appeal to the Exchequer Court of Canada and the decision of that Court shall be final.

It so happens that that Court is peculiarly fitted, both in its personnel and in its experience, for dealing with a matter of this kind. I have no doubt that that Court would do the work very much more cheaply and very much better than the Committee suggested in the Bill as it has come back to us, and I would move that that change be made.

Hon. Mr. DANDURAND: I believe that the Bill which was brought down to the Commons contained the terms of the amendment now moved by my honourable friend, and that the Commons replaced that by the text of paragraph (e), which is now before us.

This Bill comes to me for the second time as the expression of the will of the other Chamber. Before a decision is reached by this Chamber. It is my duty to explain to it the point of view of the other House. The reason given for the change which has been made there is that the soldiers are disseminated throughout the land; that if they are dissatisfied with the offer made by the Department they will be doubtful of a tribunal that is so far away from them that they cannot see it or understand its working; that they would much prefer to go before a court composed of the County Court Judge and two other arbitrators, one nominated by the Department and the other by the soldier settler who is complaining, a court which will be near at hand and which they will be able to approach. The fear has been expressed that the soldier settler would not care to support an appeal to a tribunal situated a thousand or two thousand miles away. This, I think, is the main argument which was made in favour of the present system, and this opinion being shared by many, the Minister agreed to revert to the text of last year. We are now dealing with that question, and it will be for the Senate to declare, in view of the statement which I make, whether or not there is sufficient security for the settler in coming before the Exchequer Court. Practically, we are facing for the second time the decision of the other Chamber; so we must deliberate calmly and seriously and decide whether we will accept the present text or will revert to what we decided upon last year. I believe that I am giving fairly the situation which induced the other Chamber to change the text of the Bill.

Hon. Mr. CURRY: Who would fix the fee for this arbitration, and who would pay it? The arbitration might cost a good deal more than the amount in dispute. There should be some way of fixing the fee; and it seems to me that one board of arbitrators should act for a whole county, or perhaps for a larger district. I do not think it would be at all practicable to have a different arbitration board for each case, because in many cases the amount at issue would not

be more than a few hundred dollars, and that amount might be exceeded considerably by the cost.

Hon. Mr. DANDURAND: Paragraph (f) of clause 68 says:

Expenditures necessarily incurred by or in connection with the administration of this Act as may be provided by regulation, shall be paid out of moneys appropriated from time to time by Parliament to Soldier land settlement.

From that clause I should judge that the cost of the revaluation of the land and the appeal would be charged against the Dominion exchequer.

Hon. Mr. CURRY: That again might amount to a great deal of money.

Hon. Mr. BEIQUE: Honourable gentlemen, the Board governing this matter is composed of returned soldiers. Last year we had occasion to ascertain that they are in full sympathy with the soldiers. They have followed the activities of the soldier very closely, and, while they have their offices in Ottawa, they have agents in all parts of the Dominion—agents who, on the instruction of the Board, keep in close touch with each soldier settler.

We had occasion to appreciate the conduct of the Board towards the soldiers, and to be sure that they would deal fairly and most liberally with them. Every member of the Committee was convinced that the soldiers were entitled to be so treated. A letter was addressed to each settler, calling attention to the legislation intended to be passed for their relief, and requesting him to say whether or not he was entitled to a reduction or revaluation. Last year I gave the text of several of their replies, which are to be found in the Debates of last year, because I thought that the spirit displayed by the soldiers was remarkable. A large number of them answered that they had not paid more than the value of the property and they did not think they were entitled to any relief. Others said, "Well, we paid too much, but we made a bargain, and we intend to stand by it." There were a number of letters to that effect.

I think I am warranted in saying, in the name of this House, that our desire is that the soldiers should be treated liberally, and that the Government should come to their rescue, but we must be careful, as we were last year, to prevent unnecessary expense; and I remain satisfied, as I was last year, that it would be a great mistake to revert to this arbitration clause. The soldiers need not fear. The Board will keep in close communication, by themselves and through their agents, with every soldier, who will be afforded ample opportunity to produce evidence by affidavit, without inconvenience and expense of coming to Ottawa for the purpose of substantiating his claim for revaluation. The Soldier Settlement Board has the machinery; in every part of the country it has valuators who can be employed to make proper assessments, and if necessary check the valuations made by the Board itself.

I repeat that in my opinion it would be a mistake to open the door to the establishment of a great many different tribunals, which would be very expensive and might produce judgments or awards based on principles differing altogether in their application, so that one soldier might get relief on one principle, and on that same principle another might be deprived of relief.

For my part I will support the amendment.

Hon. Mr. GRIESBACH: Honourable gentlemen, last year I opposed the proposal of the Arbitration Committee, and I do so still. My objection last year was to the possible lack of uniformity in the decisions of arbitration committees appointed throughout the country. I thought that the soldiers would suffer from that lack of uniformity. There was also the question of expense. It occured to me that there would be a separate tribunal for each appeal, and that would cost a good deal of money, and I considered it our duty, if we had any money to spend, to spend it on the soldier and not on the tribunal. Therefore I agreed to the proposal that the Exchequer Court should handle the appeals.

A year has passed since that time, and there has been some opportunity of discussing amongst ex-service men the matter of the handling of appeals by the Exchequer Court. As has been pointed out by the leader of the Government, the objection to the Exchequer Court is that doubt exists in the minds of the soldiers as to how this machinery is to be set in motion; how the appeal is to be laid; how the discussion is to be carried on, and the argument advanced, and how the Exchequer Court is to acquaint itself with the essential facts of the case.

My honourable friend from Montreal, with whom I had some discussion yesterday, points out that the Exchequer Court would be guided as to its procedure by the discussion which takes place in this House. Well, that is interesting, and I hope it is true, but it does not assure us that the procedure will be as we think it should be. In the first place, it should be speedy; for unless the Exchequer Court is able to deal speedily with

these appeals it will not give satisfaction. The procedure must be simple, so that the soldier or his friend will be able to present his appeal. It should also be cheap. These are the qualities that this method of appeal must possess, but at the present moment we are without any assurance on any of those heads.

The average layman is altogether unfamiliar with the functions and procedure of the Exchequer Court. Some of us know that there are several judges who function in that court, but how are they going to handle these particular cases? Are they going to send out their assessors to procure valuations, and to examine each case? I appreciate the Exchequer Court plan, because I think it could be made simple, inexpensive, and speedy, but I would like to have some assurance, from those who advocate that the Exchequer Court should control the appeal, that these three principles will be observed; and before we vote on this question I trust that assurance may be given us by the honourable leader of the Government, or somebody speaking on behalf of the Government. I am satisfied that the Exchequer Court will in the end be best, provided we can be assured that these requirements will be met.

Hon. Mr. McMEANS: Honourable gentlemen, let me point out that the Government adopted one of our amendments to this section and rejected the other. When this Bill was first brought before us there was no provision in it by which the Soldier Settlement Board could settle a claim. After having received some evidence from the Soldier Settlement Board we adopted the principle that they could settle the majority of those cases. We also suggested that the rest could be more easily decided by reference to the Exchequer Court. That is the portion that the other House has thrown out.

I think all honourable gentlemen will agree with me that subsection (e) was an impossible provision. It provided for boards of arbitration for over 12,000 cases, with a separate board in each case, or a total of more than 12,000 boards. How would it be possible to settle a claim in that way? There would have to be arbitrators, and judges would be chosen on such boards, and I think it is perfectly clear to everyone that when certain gentlemen are appointed on arbitration boards they do not exhibit any special haste in ridding themselves of their duties as members.

Another point strikes me as unreasonable: there is no appeal from such a board of arbitration, no matter what it does. Suppose that in the Province of Manitoba there are two boards sitting, one on one side of a road and the second on the other side of it, and one board holds that the land on this side is worth nothing at all, and that the settler ought to pay nothing, while the board on the other side of the road says that the man got his land too cheap. There is no appeal. Now is that problem going to be worked out? According to this clause there is no appeal from a board of arbitrators, whatever they do, and if a settler is not satisfied with the ordinary board of arbitration this provision forces him to appoint an arbitrator of his own, whether he wants to or not. If every man wants a different arbitrator, and there is a fee of $15 or $20 a day for each member of a board, there is no reason why an arbitration should not run for a week. Last year it was estimated that this system would cost $3,000,000 if the Bill went through as drafted. It is a matter of great astonishment to me that any official of this Government, of this House, or the other House, would draft a Bill of that kind and bring it down and expect us to accept it. I do not know who is responsible for it. The honourable leader of the Government says now that the other House wishes to put it through. I cannot conceive that a House of 245 responsible men would father any such legislation as this if they had full knowledge of the effect of the Bill.

As far as I am concerned, I am not wedded to the Exchequer Court. If that plan is not workable it is a very easy matter to name another court in each province; but let us not pass a Bill like this, that provides neither the one thing nor the other, that would lead to disagreement and expense, and that would be a farce from the time its operation started till it ceased.

Hon. Mr. DANDURAND: I would like to say a few words in answer to the remarks of the honourable gentleman from Winnipeg (Hon. Mr. McMeans). I am sure that this measure interests a considerable number of people. It was introduced practically in the form in which it would leave this Chamber if the amendment of the honourable gentleman from Middleton (Hon. W. B. Ross) were adopted. It was proposed to the other House in that form, and there was a general discussion in Committee, and from the apparent consensus of opinion the Minister having charge of the Bill thought that he was yielding to the view of the majority on a matter in which the members are not divided on party lines, by restoring the arbitration clause.

Now this Bill comes with the stamp of approval of the other House, and it is before us. I present it as I have received it, but I draw the attention of the Senate to the fact that for the second time the other House has adhered to the idea of arbitration. Now my honourable friend suggests that if we are to accept the idea of arbitration, one arbitration court should be appointed for a province, instead of a dozen or a hundred arbitration courts. Well, that is a suggestion, but it is not contained in the amendment before us. My honourable friend fears the multiplicity of tribunals and desires to limit them. All I can say is that I am here with this Bill in hand, submitting it to this House with whatever virtue there is in it. Having read the Debates in the other Chamber, I have explained why that House adhered to the arbitration court, and my duty ends there.

Hon. Mr. McMEANS: I said I was not wedded to the Exchequer Court as the final court of appeal, but if there was any objection to it the dispute could be referred to the court of appeal of the province in which the case arose. That is my only suggestion.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, there is no difference between us in this House as to the principle of this bill. It has been sympathetically received by all members of the Senate. Last year we went to a good deal of trouble in discussing and examining the foundations of this measure, in trying to reach the merits of the case and find the best methods for settling the matter of revaluation. We had before us the members of the Department, and they gave us invaluable information; and the Committee to whom this was referred were of the opinion that the settlers themselves had no better friends, either on the point of sympathy or of actual knowledge of the conditions, than the officials of the Department which had this matter in charge. I think it was generaly felt that if the Department itself had an opportunity to make these settlements they would probably be the best that could be made.

There is another point to be noted, that after having made our examination, and put the results in the form of the amendment which we passed, the Bill went back to the other House and to the Government. In making its decision as to a Bill I have no doubt that the Government depends a good deal upon the Department which has the matter in charge, and in discussing what should be presented in the Bill this year it must have taken very seriously the views of the Department. Having done that, it came to a conclusion, in which there was no outside pressure at all, no appeal to a Minister, either politically or otherwise, and in that fair atmosphere for coming to a decision they said: "What the Senate gave us as their opinion last year in this clause appeals to our judgment; we have it in better form than the clause as we had sent it to the Senate last year; and in presenting our Bill we will adopt the opinion of the Senate, and will make that part of the measure our own." That came down before the other House, and was being discussed, when there came some particular pressure from some particular person, perhaps not representing any very great amount of thought or opinion or tendency in the House as a whole; but, the point being put pertinently and sharply to the Minister at the time, the Minister, to avoid trouble, said: "We will let it go, then, in that way, and we will reverse ourselves."

Now, I ask the members of this Senate to take into account their judgment upon that matter; and surely we must come to the opinion that the Government, in its cool judgment, uninfluenced by warm appeals on the part of a supporter, was of the opinion that this was the better method, and that the other should be replaced by this. That weighs with me, and I think it should weigh with us all.

Coming down to the particular item itself, you will remember that we examined that whole question last year. We totalled up the number of applicants who would possibly take advantage of this legislation, and found there were thousands of them. Now there is presented to us what seems to be an impracticable and costly method of revaluing the lands and dealing out justice to applicants. When the settler is offered an opportunity for an immediate appeal, his tendency to ask for more is stimulated. Though the Department may propose what it considers is a fair arrangement, he says: "Here is a chance by which I may get more. I am allowed to name one of my friends, who is my partisan and will stand for me to the utmost limit, and I shall have an opportunity to get his argument before an arbitrator. I will take that chance." So under the present clause there would be probably a great many more appeals, just because there is a possibility for the applicant to obtain more, even though he may feel in his heart that under the award made to him by the Department itself he has probably got all that he ought to have.

Hon. Mr. CASGRAIN: Might he get less?

Right Hon. Sir GEORGE E. FOSTER: And, recollect, the Department itself has an

officer wherever there is a settler. The whole history of the settler and of the dealings between him and the Board with reference to his particular piece of land is known, and sympathetically considered, by the Department or some of its officers.

Now you have in contemplation thousands of boards of arbitration. Each board may be constituted differently from every other; because a settler, having the right to name his own arbitrator, will not take a general arbitrator appointed by a judge, or recommended for engagement throughout a section of country. The settler will have his own particular friend to act as arbitrator on his behalf. You will have as many boards of arbitration as you have settlers making appeals. Surely we must have some regard to expenditure. Let us calculate in our own minds what would be the total if we had a board of arbitration for every single application of the thousands that will be made. Every board must consist of three members: you have your county judge, you have the arbitrator for the settler, and you have the representative of the Department. The expenses must all be met by funds from the treasury of the country.

What we desire is an even and fair valuation for every settler. If we get that for him, we have a right to take into account the means whereby we may get it as cheaply as possible and avoid extravagance in carrying out our purpose. So the argument is a simple one. Is it on the ground of economy that you would have the separate boards of arbitration? Will you not utilize an institution which has been established for years amongst us, has experienced men at its head, has travelled scores of times from one end of this country to the other, has sources of information in every part of the country and is accustomed to dealing with these matters of valuation? It is already paid. We do not need to go to extraordinary expense in carrying out this operation. There is a sympathetic Board which has been father and mother to the settler for the last ten or twelve years, and is interested in his case. The money comes, not out of the pockets of the officials, but from the consolidated fund, and the Board desires to see that its clients receive fair compensation to the very limit.

Is not our proposed amendment better on the ground of actual service to the settler, on the ground of public economy, for which I think we ought to stand, and on the ground of avoiding causes for dissatisfaction? The gentleman who made the plea to the Minister and prevailed upon him to reverse his decision probably represented that the settler would not obtain justice in that way, and that this method should be taken to give him a better chance. Well, it seems to me that he would obtain justice from the Exchequer Court, with its machinery, its knowledge, its adaptability, its technical experience and the fact that it has so many sources of information and has been gathering information for years and years.

Is there not a ground for possible dissatisfaction in the fact, which has been mentioned here again and again, that if various arbitration courts were established different methods would certainly be followed and different principles adopted. An application might seem unjust to one board while a similar application, made by a neighbour, might be allowed by another board. There would be countless causes for dissatisfaction resulting from that unevenness.

These are some of the reasons why I feel that we had better reaffirm the position that we took last year. Our conclusion was reached after a very careful and very sympathetic examination of the whole question, on the grounds of public convenience and public economy, and because of the fact that the Exchequer Court would render judgments which would be just as sound and as equitable as any we could have from these specially constituted small courts.

The Hon. the CHAIRMAN: Hon. Mr. Ross (Middleton) moves that after the word "section," in line 15, the following words be substituted:

—and if any applicant is dissatisfied with the decision of the Board he may, within such time as is prescribed by regulations made by the Governor in Council, appeal to the Exchequer Court of Canada and the decision of that Court shall be final.

Hon. Mr. DANDURAND: I would like to have the opinion of the Senate on this matter in order that I may report to the Minister in charge. For that reason I would ask that the honourable Chairman request those who favour the amendment to rise.

The amendment was agreed to on division: yeas, 37; nays, 16.

Paragraphs (f) and (g) were agreed to.

On paragraph (h)—regulations:

Hon. W. B. ROSS: Paragraph (h) will have to be changed by reason of the change in paragraph (e). It should be changed to read:

The Board may, with the approval of the Governor in Council, make such regulations as are necessary for the purposes of this section.

Hon. Mr. MURPHY: Is it the intention that those regulations should apply to the procedure of the Exchequer Court?

Hon. Mr. GRIESBACH: That is the question in which I am primarily interested. I am in favour of the Court of Exchequer, but it is very essential that this matter of regulations should be covered and well covered. What is required now is that the proceedings before the Court of Exchequer shall be speedy, uniform, simple and cheap. Those are the four requirements of the procedure before the Court, and I am asking the honourable leader of the Government to assure us now as to the regulations to be issued by the Government concerning the conduct of the Court, the methods by which the applicant shall lodge his appeal and prosecute it before the court, the way in which he shall submit his evidence, and the way in which the Exchequer Court in Ottawa may procure information for its decision.

Hon. W. B. ROSS: Would the honourable gentleman allow me to read the proposed amendment to paragraph (i)? It reads in this way:

The Governor in Council may make such regulations as he deems fit for the procedure in appeals to the Exchequer Court under this section, and may by such regulations modify or dispense with any provisions as to procedure in the Exchequer Court Act or in the rules of practice of that Court. All such regulations shall be published forthwith in the Canada Gazette.

You give the Governor in Council power to simplify procedure, so that the Court is not bound by the Exchequer Court Act.

Hon. Mr. WILLOUGHBY: Was that in the Bill last year?

Hon. W. B. ROSS: No; this is practically a new section.

Hon. Mr. BELCOURT: We are dealing with paragraph (h).

Hon. W. B. ROSS: Those two subsections are knit together to a certain extent. I agree with the honourable gentleman from Edmonton (Hon. Mr. Griesbach) that the procedure should be as simple as possible and that a man should be able to lay his case before the Court by a letter, a statement, a petition, or anything that states his name, his location, and the necessary facts, without formal pleadings of any kind.

Hon. Mr. MURPHY: Am I correct in interpreting the proposed amendment as providing for a set of rules governing the procedure under this Act, which may or may not be distinct from the now existing rules of the Exchequer Court?

Hon. W. B. ROSS: Yes. They are technical to a certain extent, made for lawyers;

but now you give the Governor in Council power to ignore the Exchequer Court Act and to simplify the procedure.

Hon. Mr. DANDURAND: Is the honourable gentleman moving in that matter?

Hon. W. B. ROSS: I think perhaps I ought to. I did not draw these amendment myself; they have been drawn for me; but I have examined them very carefully.

Hon. Mr. GRIESBACH: Is this in substitution of paragraph (h)?

Hon. W. B. ROSS: No; I take (h) and (i).

Hon. Mr. DANDURAND: I draw attention to the fact that paragraph (i) covers a totally different matter. If my honourable friend has another clause to add he may make it (i), but if the present clause (i) meets with the approval of this Chamber, then his clause will become (j).

Hon. Mr. BEIQUE: We should have the clause of last year before us. It is the proper clause.

Hon. Mr. DANDURAND: My honourable friend forgets that I am not amending my own Bill. I am satisfied with the progress we have made with this Bill. There are consequential amendments which I suppose will need to be made. I would be ready to have the discussion adjourned until to-morrow.

Hon. W. B. ROSS: I think we can deal with paragraph (h), which is before the Committee now. It will read:

The Board may, with the approval of the Governor in Council, make regulations as may be necessary for the execution of the purposes of this section.

That makes paragraph (h) workable. As it stands, it relates to the Arbitration Committee.

Hon. Mr. GRIESBACH: Why does my honourable friend use the words "the Board may"?

Hon. W. B. ROSS: It is the Soldier Settlement Board.

Hon. Mr. GRIESBACH: Why should the Soldier Settlement Board have anything to do with the regulations under which the Court of Exchequer should act?

Hon. W. B. ROSS: (Reading):

The Board may, with the approval of the Governor in Council, make regulations as may be necessary for the execution of the purposes of this section.

That takes the place of the section which reads:

The Governor in Council may make such regulations as he deems fit for procedure in constituting the Arbitration Committee and respecting hearings before such Committee and generally to make effective the purposes of this section.

We change it so that the Board may do that. Then there is paragraph (i) to be dealt with, which relates to what the honourable gentleman from Edmonton (Hon. Mr. Griesbach) refers to, as to how a man is going to get before the Exchequer Court.

Hon. Mr. GRIESBACH: I do not understand that at all. My understanding is that you have before you section (h), which is drafted to provide for regulations when you have a Board of Arbitration. Now, you have done away with that Board, and what you require is a provision that the Governor in Council may make such regulations as are necessary to provide for the conduct of the case before the Exchequer Court—that and no more. I cannot understand why the Soldier Settlement Board should have to do with the drafting of those rules. This is one of the objections taken in another place: that the Board had nothing more to do with the case after they had been unable to agree with the soldier as to what he should have in the way of reduction. I cannot understand why the Board is mentioned at all in this section.

Hon. Mr. BEIQUE: If I am allowed, I will move that paragraph (h) be stricken out, and be replaced by the following:

The Governor in Council may make such regulations as he deems fit for the procedure in appeals to the Exchequer Court under this section, and may by such regulations modify or dispense with any provisions as to procedure in the Exchequer Court Act or in the rules or practice of that Court. All such regulations as made shall be published forthwith in the Canada Gazette.

I think the honourable gentleman (Hon. Mr. Griesbach) may rest assured that the Government is anxious to come to the relief of the soldiers and to treat them liberally. Now, it will be the duty of the Government to see that such regulations are passed as will enable that to be done.

Hon. Mr. GRIESBACH: All I was asking was whether the honourable leader of the Government could tell us that now, on behalf of the Government, in order that we might leave the Bill, knowing it was in safe hands.

Hon. Mr. DANDURAND: The honourable gentleman has not noticed that I wanted to ascertain the sentiment of this Chamber in order that I might inform the Government. I do not know what the decision of the Government will be.

Hon. Mr. GRIESBACH: The Government has wobbled three times on this very clause, and will wobble again just as easily.

Hon. Mr. DANDURAND: I may say that my honourable friend is attacking the other Chamber, because it is the other Chamber that changed its mind three times last Session.

Hon. Mr. GRIESBACH: It could not change it any faster than the Government could.

The proposed amendment of Hon. Mr. Beique was agreed to.

On paragraph (i)—re-instatement of settler in certain cases:

Hon. Mr. DANDURAND: I ask that the Committee rise, report progress, and ask leave to sit again.

The motion was agreed to, and progress was reported.

OLD AGE PENSIONS BILL

MOTION FOR SECOND READING—DEBATE ADJOURNED

Hon. Mr. DANDURAND moved the second reading of Bill 70, an Act respecting Old Age Pensions.

He said: Honourable gentlemen are familiar with this Bill. Even those honourable members who were not here last Session have heard sufficient of it through the press to know what it covers. In a few words, it provides for a maximum pension of $240 yearly for people of 70 years of age who have been in Canada for twenty years immediately preceding the commencement of the pension, and in the province applied to for the last five years. The said pension is to be subject to reduction by the amount of the income of the pensioner in excess of $125 a year. In other words the pension will supplement the income up to $365 a year, but not further. This grant is not made direct to the pensioner by the Dominion Government, but is subject to an agreement with the provinces by which they contribute one-half of the pension and provide the machinery for administration.

The Bill comes to us in the same form as last year, somewhat strengthened, however, through the fact that this piece of legislation was before the people at the last election, when there was a general consultation with them on many matters. Among the people, as well as in this Chamber, there was a difference of opinion as to the method or procedure to be followed; but the principle of the Bill, I believe, was approved of generally. I suggest that, as there seems to

be a consensus of opinion in favour of old age pensions, the Senate should not hesitate to approve of the principle of this Bill by voting for the second reading.

I suppose it has occurred to most of the honourable members of this Chamber who have given thought to this matter that the policy embodied in this Bill may not be the permanent policy of this country. For my part, I confess the honest opinion that this is rather what I would call provisional legislation, which will stand as a preliminary step to permanent legislation in that field.

Hon. Mr. DANIEL: A sort of chart?

Hon. Mr. DANDURAND: No. If my honourable friend will follow me, he will understand how I say that this measure, even if it came with another piece of legislation, which would be on a contributory plan, would stand as a necessary part of it. There has been an expression of opinion by some labour unions in favour of the contributory plan, but most of them have agreed that it must be preceded or accompanied by such a plan as is embodied in this present Bill. The reason is obvious. We want to do something for aged people. Well, there are aged people who are 70 years or more; quite a number who are below 70; and as we go down to 65, from 65 to 60, and to 55 and 50, we find a much larger number. It is impossible to present to any Parliament a Bill on a contributory plan which will take care of men who are hovering around 60, because if they were taxed a sufficient amount, according to tables based on maturity at 70, the load would be too heavy for them to bear. That is why I say this is an emergency or provisional measure which would necessarily accompany or precede a contributory Bill.

The policy which was adopted in Great Britain is the one embodied in this measure. Great Britain passed legislation granting pensions to men of 70 years of age without asking them to contribute, but a few years later, in 1925, they brought up and passed a Bill organizing contributory pensions. That is what I believe should be seriously examined as the next step to be taken; and since a conference of representatives of the provinces has been announced for the coming summer, I believe that they will be asked to come in under this scheme, and at the same time to study or prepare for the next plan, which would call for the people contributing to these pensions.

I may say that the Montreal Council of Social Agencices, Dependency and Delinquency Division, has suggested, by communication of December 14, the following resolution:

That in view of the proposed enactment of an Old Age Pensions scheme by the Dominion Government, the Dependency and Delinquency Division of the Montreal Council of Social Agencies recommends that a non-partizan Committee of the House be appointed to collect data from all countries that have passed Old Age Pensions Acts, and that, acting on this information, the Dominion Government, either with or without financial participation on the part of the Provincial Governments, should forthwith pass an Old Age Pensions Act, the main conditions of which should be:

(1) Contributions from the assured, the employer and the State.

(2) Adequate pension at the age of 65.

(3) Reciprocal arrangements between the Dominion and the British Governments.

Hon. Mr. GRIESBACH: Who are those people? I did not hear who they are.

Hon. Mr. DANDURAND: This is the Montreal Council of Social Agencies.

Hon. Mr. McMEANS: To whom is it addressed?

Hon. Mr. DANDURAND: It is a motion moved by Mr. Charles Fyfe, seconded by Mrs. Saxe-Holmes, and carried. It was addressed to the present Government, or the Minister of Labour: I obtained it from the Minister of Labour.

Now, representatives of the National Unions appeared before the Cabinet lately, and they favoured a non-contributory plan for the present-day indigents, but requested a contributory system for the future.

Honourable gentlemen will see that when we decide to pass old age pensions we have either to provide for the present indigents, those who are in a position to qualify under this Bill, and those who will be so within the next ten years, by giving them a pension without asking any contribution from them, or else leave them aside. You may say, "We will provide old age pensions which will come into effect in thirty, forty or fifty years from this" but the Governments that have discussed the matter, and Parliaments that have legislated on it, have provided for the present-day indigents and the indigents of to-morrow, and have concurrently, or later on, brought in a scheme of contributory pension.

I may state that the Minister of Labour has declared that his Department was charged with the study of a definite plan of pensions for all time, which will have to be brought before Parliament in the not distant future, and I find that when such a plan does come into effect it will not be a heavy burden upon the people of this country. In Great Britain the employer is asked to pay a share; the beneficiary pays his share, and the Govern-

ment its share; thus these are three parties who contribute. In this country we may draw upon four sources: the federal exchequer, the provincial exchequer, the employer and the employee.

I find here that one of the tables worked out under the direction of the Minister contemplates a dollar-a-day pension for life for a worker who attains the age of 65 years. As honourable gentlemen will see, the present-day pension contained in this Bill starts at 70 years of age. The definite plan by which the beneficiary would contribute would entitle him to a pension at 65. We know how fast we move towards the seventieth year, and quite a number fail before they are 65, and feel the need of support. The next plan to be studied—which I hope the provinces, when they meet, will study—will be the contributory plan, and, although it has nothing to do with the present Bill, it may be of interest to the members of the Senate to hear what will be the cost of a contributory system.

One of the tables worked out under the direction of the Minister of Labour contemplates a dollar-a-day pension for life after the worker attains the age of 65 years. The necessary contributions to finance such an annuity have been estimated for all ages from 18 to 50. The following age periods are illustrative:

Weekly Contribution from

Age	Employee	Employer	Federal Government	Provincial Government
	cts	cts	cts	cts
18	9	9	5	5
22	12	12	5	5
30	22	22	5	5
35	31	31	5	5
40	50	50	5	5
45	70	70	5	5
50	1.13	1.13	5	5

Honourable gentlemen will see that the labour unions themselves, who have given some study to the matter, feel that it would be more satisfactory to them, if such a system were established, for them to contribute. I am very glad to think that such a feeling exists among the labouring elements of this country. But, as I said, this does not provide for the present generation that is moving towards the seventieth year, and the Government offers to the provinces a contribution of $10 per month, that is, $120 per year, if the province will contribute as much to the needy, under this Bill.

Among the many objections I have heard formulated—I do not know that I heard them here—was this one, that it would be very difficult for the provinces to find out who are the indigents. Well, the present Bill has simplified the solution of that question. It is fairly automatic. An indigent is one who has not an income of a dollar a day. If he has below a dollar a day this Bill comes into play, and he will be helped up to a dollar a day. Representations have been made that the amount of $20 a month is very small indeed. Well, thousands of people have got along up to this time without $20 a month, and this will be an addition to whatever they have in hand, and whatever they have lived on up to this date.

The provinces, as represented by their various Governments, have not yet indicated their state of mind. They did last year, but I would point out to my honourable friend from Montarville (Hon. Mr. Beaubien), who is smiling because I handed him the answers that I gave him last year, that the question was a new one to most of them. Meantime the people have been asked to express an opinion. I think in very many quarters they have expressed their views in no uncertain way, so that if the provinces were asked to-day how they view the matter they would probably be disposed to accept the gift which the federal treasury, through the action of both Chambers of Parliament, is ready to hand over to them. So far only the Legislature of British Columbia has passed an Act enabling the Lieutenant Governor in Council to take advantage of this legislation which is before us to-day.

I do not know that I have covered the whole ground, but I think that I have given a fair idea of the project which is submitted to the Senate, and if and when we go into Committee, as I hope we shall, I may be in a position to explain the machinery which is to be provided for the application of this Bill.

With these few remarks I move the second reading of this Bill.

Hon. Mr. CURRY: Honourable gentlemen, before the motion is put I would like to call the attention of the honourable leader of the Government in this House to the fact that more than half of his supporters are absent, and that this thinning-out process has been going on all afternoon. It looks to me as though the Government wished to kill this Bill, and then they would be able to go to the country and say that the wicked Tory Senators were the murderers. If I am wrong in my surmise I would suggest that the vote be postponed until at least a reasonable num-

ber of the honourable gentlemen who sit on the Government side can be in their seats.

Hon. Mr. DANDURAND: Well, my position forces me, and has forced me during the last five years, to look into the genial faces of my honourable friends opposite, and I confess that at many sittings I have not turned around to see who were sitting behind me. But my honourable friend looks across to this side of the Chamber. I hope that when we vote on this matter we shall have a full House. The bells will be rung, and I believe that as many can be in their seats will be present then.

Hon. W. B. ROSS: Honourable gentlemen, as I intend to vote against the second reading of this Bill no matter who votes for it, I will try to state to the House in as few words as possible my reasons for opposing it.

The honourable leader on the other side (Hon. Mr. Dandurand) has taken about two-thirds of his time in explaining the contributory Bill that will come in the future. He has not enlarged upon either the merits or the demerits of the Bill on which we are now asked to vote, to the extent that I would have liked to hear from him.

The Bill that will be presented later is connected with a subject with which every honourable member of this House is familiar; that is, the subject of old age pensions. Probably all of us have heard of this question and studied it more or less for the last twenty-five years, and in the case of some men for a longer period. I would have liked to have a little more detail about this coming measure. For instance, the honourable gentleman used the term "workmen". Now, if you are going to have an Old Age Pension Bill you will have to enlarge upon that word and give it a very extensive meaning. Five years from now the word "workmen" may include a contractor or employer. In my opinion you will not have any satisfactory Old Age Pensions Bill until you enact one that will apply to every man and every woman in the country. If there were brought down a Bill that was contributory, that covered everyone and provided that on attaining 65 or 70 years of age a man or a woman should have a pension as a right, without being forced, as under this Bill, to submit to an inquest in order that it might be decided whether or not they were eligible —for under this Bill the man or the woman must come in on the plea of poverty—

Hon. Mr. DANDURAND: No. My honourable friend has not listened to me. I said that in this Bill the word "indigent" means one who has less than $365 a year.

Hon. Mr. ROSS: Down to $125. If he has not more than $125 he can get $240. That gives him an income of $365.

Hon. Mr. DANDURAND: Yes.

Hon. Mr. ROSS: Then suppose he has an income of $200; he gets $165; and so on. But when he makes application under this measure to get his $240, he must show that he is not receiving any more than $125.

Hon. Mr. DANDURAND: If he wants $240.

Hon. Mr. ROSS: Yes.

Hon. Mr. DANDURAND: If his income is $360, all he can claim is $5.

Hon. Mr. ROSS: Very well. Then, is not the applicant basing his claim for the $240 on his poverty? I object to that as one of the worst features of the Bill. If you are going to give a man a pension, give it to him at a certain age. In order to work that out, you must begin at the beginning. If the Act that we are promised is constructed upon that basis, I for one am perfectly willing to give it not only careful, but very sympathetic consideration.

When you look over the British Empire you find that Great Britain has two Acts. My honourable friend mentioned them, and I need not discuss them again. The Act passed by Great Britain in 1925 is the one that I would like to see adopted in Canada if we are to adopt any measure at all; but it is a question whether the Dominion should pass the Act or let each province pass an Act for itself. The Dominion Parliament might bring in a Bill of that kind and leave the provinces alone, and the Bill might be contributory and cover everyone, providing a pension or allowance of $365 payable at the age of 65 or 70, without any conditions at all. Under the present Bill a man may be getting a pension of $240, and if, having daughters or sons in the United States or the Old Country, he goes there to live quietly with them, he will lose the pension. That cramps the value of this Bill from every point of view.

Hon. Mr. DANDURAND: Should not our money be spent here?

Hon. Mr. ROSS: There is nothing in that. You are trying to help him out. He is poor. What difference does it make to you where the old man of 70 is living, whether he lives in the United States, in England, or in Canada?

Hon. Mr. DANDURAND: A very great difference. Remember there is a total of $24,000,000.

Hon. Mr. ROSS: If the pensioner lived for ten years, how much would his pension amount to? All the groceries he would eat in that time would not make any grocer in Ottawa or any other city much richer. However, this is one of the details and I do not want to dwell upon it now. What I desired to say with regard to this measure is that a member can vote against this measure—and I think he ought to vote against it—without passing any definite opinion upon an Old Age Pension Bill based upon contribution and applying to everybody, and I desire, in what I have to say, simply to guard myself in that respect. I am quite prepared to consider sympathetically an Old Age Pensions Bill that would be applicable to every man and every woman in the country, if it were contributory and made pensions payable at the proper time without conditions or limitations of any kind, or without any inquest as to whether the applicant is worth $50 or $5,000. I have deemed it necessary to say this, because there is a tendency on the part of a mind not trained to reasoning to conclude that a person speaking against a Bill of this kind is opposed to every form of old age pension. In my case it is not true. I think I have said enough to guard myself in that respect.

Before coming to deal with the Bill itself I wish to mention a matter to which the honourable leader did not refer in his speech, but of which I have heard others speak. It has been stated that this Bill has been approved of twice by this country and therefore we ought to pass it. Now, I do not agree that it has been approved of by this country at all. It never went as a flat, single question before the people of this country, as questions are submitted in the form of a referendum. I will admit that if this one issue were submitted as the sole issue to the people of this country, and if a substantial majority of the people voted for it, it would be in my opinion the duty of this House to give way. But such is not the fact. There were all kinds of issues at the last general election. There was the so-called constitutional issue, which I know, figured largely in some places. Each member of this House, after all, has only a small circle as to which he can give primary evidence, and no member is in a position to say that the people of this country voted on this Bill and approved of it. All I can say about it is that I was interested in the measure and made careful inquiries of men who were in charge of wards in the general election, and the information I received from the Conservatives was that in the earlier part of the campaign they thought they were going to be hurt by the action taken by the Senate last year, but before the close of the campaign, or before election day, they let the matter drop, finding that there was no trouble at all; and they were located in city districts occupied by artisans and labouring people.

A man in a constituency may have heard some noise about this question, and he may have seen the walls plastered with pictures showing the leader of the Government standing with a big basket containing large quantities of money, to be handed out to men on reaching the age of 70, provided they will just defeat this Tory party and return the Liberals to power; but there is no evidence at all, that is worth considering, to the effect that the country voted on this Bill. I will admit that there was a little noise about it here and there, but I can refer you to other counties where the managers say that this question was never mentioned, but that the issue was the tariff, or the constitutional question.

Passing from that aspect, I want to point out that my main objection to this Bill is the interference of the Dominion Government with the provinces. Now, you have nine provinces, and the extraordinary thing is that the Bill is constructed upon the assumption that all nine provinces are to come in. It might be worked to some extent if all the provinces did come in, but if one or two provinces either cannot join, or will not, there will arise problems which I defy any man to work out. While the Dominion Government may make an agreement with any province separately, it is not open to the Dominion Government to make an agreement say, between Ontario and Quebec. The provinces must be left to themselves to make their own contracts. Now, the Bill practically uses force in that respect—I need not say "practically," for it does. It means that though a province for a particular reason declines to participate, the people of that province will be assessed in part for what is paid by way of contribution to a province which does come in. For instance, if British Columbia comes in, and Nova Scotia says it cannot do so, you would have this state of things, that Nova Scotia would be paying in part for the contribution that British Columbia would get. The same would be true all round. If Quebec remains out, it will still have to support this scheme, while getting nothing out of it.

The Province of Nova Scotia, for some reason or other—and I will not enter into the details as to the why and the wherefore—is financing in its budget for a deficit of $1,000,000. Let us assume that that province obtains all that is asked for in the report that will be dealt with in another place one of

these days, namely, $870,000. That will not balance the budget. It is estimated, with substantial accuracy, that if Nova Scotia came in under this Bill it would have to pay something between $750,000 and $1,000,000. I have only once seen the charge on Nova Scotia estimated at a lesser figure, namely, $500,000. The province of Nova Scotia simply cannot come in. It now has in force probably every system of taxation that it can think of. So the Bill is unfair in so far as it applies to provinces which are in the position of being either unable, or, for reasons of their own, unwilling to participate in the scheme. I do not know where this Parliament gets its commission or its power to pass an Act compelling the provinces to participate, or, what is the same thing, inflicting a penalty indirectly on a province if it does not come in under a scheme of this kind. Therefore we have to face the question of interference with the province on the part of the Parliament of Canada.

Another objection I find in this Bill—and it can probably be dealt with better in Committee, when we are taking up the sections one by one—is that it is a tremendous mixture. For instance, a man may be five years in a province that has not come under the Act, and then he may move to a province that is under the Act. The result is a complication that is not provided for here at all. I can suppose cases of this kind, and when we come to deal with the sections I mean to submit some of them. Under this Bill a man applying for a pension must have resided five years in the province from which he makes application. Suppose he is sixteen years in one province and four years in another; he cannot get a pension. You may say: "That defect can be cured." I am not sure that it can. I do not want to detain the House; I would like to finish by 6 o'clock; but my main objections to the Bill are its interference with the provinces and the fact that it is unworkable, owing to the political situation of your nine provinces and your Dominion Government. Further, I do not like the other feature of it, that it is a charitable affair, and the sooner you get away from that sort of thing and let the people be self-respecting and pay their way, the better it will be for Canada.

I think I have stated to you succinctly my objections to the Bill, and I cannot under any circumstances vote for it.

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

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

THE SENATE

Thursday, March 17, 1927.

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

Prayers and routine proceedings.

PRIVATE BILLS

FIRST READING

Bill 42, an Act respecting certain patents owned by Albert P. Frigon.

THIRD READING

Bill 41, an Act to incorporate Columbia Life Assurance Company.—Hon. Mr. Crowe.

DIVORCE BILLS

SECOND READINGS

Bill G4, an Act for the relief of Helen Pettit Bruce.—Hon. Mr. Willoughby.

Bill H4, an Act for the relief of Hugh Devlin.—Hon. Mr. Willoughby.

Bill I4, an Act for the relief of Charles Wilson.—Hon. Mr. Willoughby.

Bill J4, an Act for the relief of Josephine Ray Ennis.—Hon. Mr. Willoughby.

Bill K4, an Act for the relief of Della Laurel Cox.—Hon. Mr. Willoughby.

Bill L4, an Act for the relief of Rose Glucksberg.—Hon. Mr. Willoughby.

Bill M4, an Act for the relief of Murray Richard Minler.—Hon. Mr. Willoughby.

Bill N4, an Act for the relief of John Leslie MacLellan.—Hon. Mr. Willoughby.

Bill O4, an Act for the relief of Elizabeth Brown.—Hon. Mr. Willoughby.

Bill P4, an Act for the relief of Matilda Emily Cantrell.—Hon. Mr. Willoughby.

Bill Q4, an Act for the relief of Mary Ellen Walker.—Hon. Mr. Willoughby.

Bill R4, an Act for the relief of Edwin Walter Wood.—Hon. Mr. Willoughby.

Bill S4, an Act for the relief of Harriett Robinson.—Hon. Mr. Willoughby.

Bill T4, an Act for the relief of Homera Emilie Hodgson.—Hon. Mr. Willoughby.

Bill U4, an Act for the relief of Paul Elester Scarr.—Hon. Mr. Willoughby.

Bill V4, an Act for the relief of Ronald Lorne Johnston.—Hon. Mr. Willoughby.

Bill W4, an Act for the relief of Eva O'Neil. —Hon. Mr. Willoughby.

Bill X4, an Act for the relief of Mabel Beatrice Nash.—Hon. Mr. Willoughby.

Bill Y4, an Act for the relief of Isabella Emily Blue.—Hon. Mr. Willoughby.

Bill Z4, an Act for the relief of Cherie Amy Aston.—Hon. Mr. Willoughby.

Bill A5, an Act for the relief of Ida Gertrude LeFevre.—Hon. Mr. Willoughby.

Bill B5, an Act for the relief of Inez Mary Pitcher.—Hon. Mr. Willoughby.

Bill C5, an Act for the relief of Charles Murray Mutch.—Hon. Mr. Willoughby.

Bill D5, an Act for the relief of Estelle Henrietta Cartwright.—Hon. Mr. Willoughby.

Bill E5, an Act for the relief of Ronald Ross File.—Hon. Mr. Willoughby.

Bill F5, an Act for the relief of Grace Mantle.—Hon. Mr. Willoughby.

Bill G5, an Act for the relief of Emma May Ryan.—Hon. Mr. Willoughby.

Bill H5, an Act for the relief of Muriel Martha Hammond.—Hon. Mr. Willoughby.

Bill I5, an Act for the relief of Anna Mae Francis.—Hon. Mr. Willoughby.

Bill J5, an Act for the relief of Harold James Hubbard.—Hon. Mr. Willoughby.

Bill K5, an Act for the relief of Indiaetta Muriel Taylor.—Hon. Mr. Willoughby.

Bill L5, an Act for the relief of William Arthur Dillabough.—Hon. Mr. Willoughby.

Bill M5, an Act for the relief of James Alfred McCabe.—Hon. Mr. Willoughby.

Bill N5, an Act for the relief of Frederick George Jones.—Hon. Mr. Willoughby.

Bill O5, an Act for the relief of Manford York.—Hon. Mr. Willoughby.

DEPARTMENT OF NATIONAL REVENUE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 113, an Act respecting the Department of National Revenue.

He said: The purpose of this Bill is to divide the Department of Customs and Excise into three branches, under three Commissioners, to be called respectively Commissioner of Customs, Commissioner of Excise, and Commissioner of Income. These Commissioners will have the power of Deputy Ministers, but not their rank. The other provisions of the Bill are the same as in the old Act.

Hon. Mr. DANIEL: The Bill states that the Minister shall hold office during pleasure. During whose pleasure? Does it mean that of the Governor General, or the Prime Minister, or the Privy Council?

Hon. Mr. DANDURAND: That is the Governor in Council.

Hon. W. B. ROSS: How many Departments are being destroyed, and what Departments?

Hon. Mr. DANDURAND: Oh, no, they are not destroyed.

Hon. W. B. ROSS: You have the Department of National Revenue, and now you are giving that three other Departments with Commissioners.

Hon. Mr. DANDURAND: No. May I explain to my honourable friend, there would be but one Department, the Department of National Revenue, but with three branches, just as we have the Department of the Interior with seventeen or twenty branches.

Hon. W. B. ROSS: Have you as many Departments as you had before?

Hon. Mr. DANDURAND: There was but one. The Department of Customs was charged with the administration of Excise, also with the administration of the Income Tax; so it had three different functions.

Hon. W. B. ROSS: The Department of Customs ceases, and you get the Department or National Revenue, taking in Customs, Excise and Income Tax?

Hon. Mr. DANDURAND: Yes; it is practically a change of name.

Hon. W. B. ROSS: That is what it looks like. I do not know that this House could do better than leave it where it is.

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

WAR CHARITIES REPEAL BILL

SECOND READING POSTPONED

Hon. Mr. DANDURAND moved the second reading of Bill 114, an Act to repeal the War Charities Act, 1917.

He said: Honourable gentlemen will remember that the War Charities Act, 1917, was passed in order to regulate and supervise appeals to the public during the war for public donations which would go for the relief of persons suffering as a result of the war, particularly returned soldiers and their families.

The aggregate number of societies registered under the War Charities Act, 1917, during the war and subsequently was 854. This number has been gradually diminishing until at the present time only 157 societies remain on the register in the Department of the Secretary of State. Of this number 127 are branches of the Imperial Order, Daughters of the Empire, and 10 are branches of the G.W.V.A. The activities of these branches of the I.O.D.E., and G.W.V.A., would appear to be adequately regulated by their incorporating instruments. At the same time the actual war relief work done by any of the societies now on the register has dwindled to negligible proportions. The necessity for the continuance of the Act

would therefore no longer appear to exist, as these remaining societies do not need to be controlled.

Hon. W. B. ROSS: I would like to ask the honourable leader what is the necessity for repealing this Act. May not the Act be of advantage if left on the statute book? I have not read the Act recently, but I remember that it was passed in order to stop all kinds of people from starting funds and collecting money.

Hon. Mr. DANDURAND: It permitted the organization of those charitable societies without any share capital and without any fee to be paid, inasmuch as they were patriotic or philanthropic.

Hon. W. B. ROSS: Yes, but it did not allow anyone to form a society without obtaining leave of some kind from the Government to go out and collect money for charitable purposes.

Hon. Mr. DANDURAND: The Act was for that purpose and required an annual account of operations.

Hon. W. B. ROSS: How do we know that, if this Act is repealed, there will not be a crop of these societies to-morrow morning? There is no harm in the Act, and it may do good.

Hon. Mr. DANDURAND: Well, I will move to discharge the order and place it on the Order Paper for next Wednesday, and meantime I will obtain information bearing on this question. I confess that it crossed my mind also.

The motion was agreed to.

EXCISE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 119, an Act to amend the Excise Act.

He said: Honourable gentlemen, there are no important changes involved in this Bill to amend the Excise Act. The purpose of the amendment proposed is to remove uncertainties with regard to interpretations of various clauses of the Act, and to increase the penalties for certain violations. When we go into Committee we may examine each of these clauses.

Hon. W. B. ROSS: I just wish to say, about this Bill, that I have read it and do not see that it involves any principle of which we could complain; but it will require considerable work in Committee to check over the interpretation of words. There may be some changes suggested, but, after all, they will be merely wordy.

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

CANADIAN NATIONAL RAILWAYS REFUNDING BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 121, an Act respecting the Canadian National Railways and to provide for the refunding of certain maturing financial obligations.

He said: Honourable gentlemen, the obligations to be refunded consist of an issue of $20,000,000 in three-year four per cent gold notes guaranteed by the Dominion Government, which mature on the 1st of July next. By this Bill the Governor in Council is authorized to provide for the refunding of the notes.

The substituted securities shall not exceed the aggregate principal amount or aggregate value of the original securities, that is, shall not exceed $20,000,000.

There are various regulations and conditions mentioned, which we may discuss in Committee.

Hon. W. B. ROSS: We have not, I suppose, money enough to pay off those obligations without borrowing.

Hon. Mr. DANDURAND: I do not know. There has been a margin over the operating expenses, but we can find in the annual statement what has been done with that surplus.

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

CANADA'S RAILWAY PROBLEMS

DISCUSSION CONTINUED

The Senate resumed from March 10 the debate on the inquiry of Hon. Mr. Robertson:

That he will call the attention of the Government to certain matters affecting Canada's transportation activities and problems, and will inquire of the Government whether or not it has any definite policy in relation thereto, and if so, will ask that it be publicly declared.

Hon. C. P. BEAUBIEN: Honourable gentlemen, I claim the indulgence of this honourable House while I deal with a matter which of necessity will constrain me to lay before the House a long series of figures. I shall do so because I consider this one of the most serious questions than can engage public attention.

The honourable gentleman from Welland (Hon. Mr. Robertson), with the ability and competency that everybody recognizes in him, has made a strong appeal to this House, and through it to the press and to public opinion. He has, for two reasons, claimed justification for his appeal. To one of these I do not attach much practical importance. The first reason given is that he felt bound to vindicate a very respectable and useful class of our population of certain judgment passed upon them some years ago by Hon. Mr. Carvell. I do not intend to touch that part of my honourable friend's speech, except to say that the Latin proverb holds true: "De mortuis nihil nisi bonum"—"Of the dead nothing but praise should be heard."

But the other part of the honourable gentleman's argument is much more serious and practical. In a few words it amounts to this: those that have ears to hear, let them hear; if they do not hear let them be responsible for the consequences. At the present time an investigation into railway rates is taking place, and it is intimated that in the fixing of new rates provision must be made for wage increases. In other words, there must be an increase in railway wages, or there will be a strike.

Honourable gentlemen, we have learned, to our sorrow, that the railway enterprises of this country are very closely related to the life of the people. In the first place, we own more than one-half the mileage of the railways—and goodness knows how dearly we have paid for it; and in the second place—and this is what interests me most—that railways are the arteries of the nation through which circulates its very life-blood. I predict that it will be a day of bitter suffering for the whole nation when public opinion permits the railway systems of Canada to be crushed between the upper and the nether millstones of an increase in wages on one side and a decrease in rates on the other.

No sooner had my honourable friend from Welland (Hon. Mr. Robertson) made his earnest plea and sounded his warning than an echo was heard in this Chamber: the honourable member for Assiniboia (Hon. Mr. Turriff) rose in his place and said in effect: "Those that have ears to hear, let them hear. If there is not a decrease in railway rates, woe betide the nation!" I was reminded by both honourable gentlemen of a classical French play called "Les Plaideurs"—The Pleaders—by Racine. In that play there is organized on the stage a tribunal consisting of the judge, the lawyers for each side, and the criminal, but there still remains one member of the group who has no part. So they turn to him and ask, "What part are you going to play?" And he says: "I am the audience—I am the public you have forgotten. Now, honourable gentlemen, will you allow me for just a moment to play the part that has been forgotten, that of the public, and will you be the jury while I place before you a few statistics? I apologize again for the dryness of the subject, but I cannot answer figures except with figures.

The first question that I would ask is this: Is it true that the railway employees of this country are now labouring under a grave injustice? In the next place, is it true that in the past these same employees have suffered a grave injustice?

Let me take the first point. My honourable friend from Welland (Hon. Mr. Robertson) has complained that those whom he represents are not sufficiently renumerated. May I call the attention of this honourable House to the wages, not the apparent wages, but the real wages, paid to the three classes of railway workers? If I may be allowed, I will call the first class to which I shall address myself the privileged class. In doing so I hope I may not insult my honourable colleague from Welland. In this class I include the train-moving classes: the conductors, the trainmen, the engineers, the firemen, and their helpers. The second class, those engaged in the trades, I will call the middle class. The third class, those engaged in ordinary labour, I will call the proletariat.

Now let us take the first class. I must say that I had considerable difficulty in ascertaining exactly what remuneration was paid members of that class. I will not say that there is a conspiracy between the Labour Department and certain labour organizations—not at all!—but when the Labour Department compile their statistics it has very scant consideration for poor laymen like myself. Indeed the wages of these classes are predicated on a certain mileage. For instance, apparently you have a wage of $4.27 a day. But what is a day? A day may be 100 miles. If it is a freight crew that is referred to, it is 100 miles if it is a passenger crew it is 150 miles; consequently there is considerable variations. But I was curious to learn whether there was not some more positive and exact way of ascertaining the amounts earned by the privileged classes. Upon inquiry what did I find? That the railway statistics of Canada comprise two pages showing all the classes of employees in the railways, the total amount received by each class, and the total number of men in each class. I found, for instance, that there

were so many conductors, and that altogether they received a certain amount of money. Therefore I divided the total amount of money received by them by the number of men in that class to determine exactly what each man received per year.

Honourable gentlemen know that the railway statistics are based upon affidavits from the officials of the railways. I found that the average remuneration for passenger conductors was $2,611 per year, including men who had been in that service for periods of from one month to twenty years or more which means, of course, that a conductor who has been in the service for twenty years must receive a great deal more than this amount.

Now let me run over the figures quickly. Freight conductors receive an average of $2,527 a year; brakemen on passenger service, $1,858; brakemen on freight service, $1,846; baggagemen, $1,972; passenger engineers, $3,238. That is in each class the weighted average, which is, I suppose, exceeded by many of the employees. As engineers are rated according to the weight of their locomotives—the heavier the locomotive the greater the remuneration—some of them must receive a good deal over $3,500. Freight engineers receive on the average $2,831 a year. Fireman's help, that is, the man who helps the man firing the engine, is paid, in the passenger service, $2,395 a year, and in the freight service $1,933.

Hon. Mr. STANFIELD: The honourable gentleman speaks of a fireman's help. Does he not mean an engineer's helper?

Hon. Mr. BEAUBIEN: No; fireman's help.

Hon. Mr. STANFIELD: What do they do? I never heard of them.

Hon. Mr. BEAUBIEN: I will hand my honourable friend the statistical book from which I have taken this information, the Statistics of Canada, and he can verify it himself.

As you see, those are very remunerative wages. Let me compare them with remuneration paid to people who in order to fit themselves for their vocation have to go through a long and expensive course of education? Take for instance the Department of Agriculture lecturers who have to go about the country teaching people how to cultivate the soil. What do they get from this country? Such a lecturer is paid $2,400. Take an entomologist, a man who must possess certain qualifications, who must know all about injurious insects and their destruction in order that our crops may be protected from their attacks; he is paid only $2,400. I have here a long list taken from the Auditor General's Report, and as I do not wish to tire the House I will ask leave to have it placed upon Hansard.

Department of Agriculture—	
Part A, page 5: Entomologist	$2,400
Part A, page 5: Lecturer	2,400
Department of Health—	
Part GG, p. 3: Asst. Chemist	2,340
Part GG, p. 3: Chief Narcotic Division	2,940
Department of Labour—	
Part M, p. 2: Wage Investigator and Mediator	$2,100
Department of Marine—	
Part O, p. 6: Principal map draftsman	$2,580
Part O, p. 6: Electrical engineer	2,880
Department of Mines—	
Part P, p. 3: Engineer	$2,220 to $3,000
Post Office Department—	
Part S. p. 3: Senior Translator	-2,280
Public Works Department—	
Part V, p. 7: Construction Architect.	-2,700
Part V, p. 8: Senior Draftsman	1,680

Many of these men, civil engineers, for instance, have to go through a university and obtain a degree, which means that they are probably 24 or 25 years of age, before they can enter upon their career.

I have also some examples of men employed in municipal work, and I will hand in a statement taken from the report of the Auditor of the city of Montreal.

Archivist	$2,200
Superintendant City's Properties	2,200
Cashier of the City	2,800
Chief Accountant Dept. of Revenue	2,500
Sup't Water and business taxes	2,500
Sup't Printing and Stationery Dept.	2,500
Chief Inspector Dept. Water Works	2,040
Chief Inspector Dept. Buildings	2,340
Sup't Incineration	2,500
Sup't. Hygiene Department	2,100
Medical inspector of schools	1,980
Sup't Municipal Assistance	2,620
Chief Chemist	2,500

Coming to our financial institutions, what do I find? As many honourable gentlemen here who are directors of banks know very well, the branch managers of banks receive salaries averaging about $2,500 a year. These men have millions of dollars in their care, and must exercise judgment in allowing credit. They must possess very special qualifications. Nevertheless, all they get is $2,500.

I am not quarreling with what I call the privileged classes of railway employees. I know they have heavy responsibilities—they have our lives in their hands; but I think that after the speech delivered by my honourable friend from Welland (Hon. Mr. Robertson) it is proper that the public should know what remuneration those men receive,

as compared with the remuneration paid to what I might call the privileged class in other callings of life.

Right Hon. Sir GEORGE E. FOSTER: May I ask the honourable gentleman a question? The honourable gentleman has taken into consideration different classes of employees in different branches of work and has given us their average salaries. Has he made any research into the number of hours of work requisite in those different vocations to earn the amount stated in each case?

Hon. Mr. BEAUBIEN: I think I can dispel any anxiety as to that on the part of my honourable friend. A day's work for railway employees is eight hours, or seven and a half hours, and I think it will be admitted readily that employees in other vocations work at least as long as that.

Hon. Mr. ROBERTSON: I hesitate to interrupt the honourable gentleman, but he has quoted, and probably correctly, the average earnings of men in railway train service, and I desire to assure him that if he will look at the Industrial Commission's Report issued last year he will find that, on the average, their hours of service greatly exceed eight hours per day, that in many cases those men are on the road for sixteen hours out of twenty-four, and that the compensation to which he has referred is for their total services, regardless of the number of hours required to earn it.

Hon. Mr. BEAUBIEN: Certainly I understand that, and if it were not so, the wages paid to those men would be ridiculously high. The distance from Ottawa to Montreal is 116 miles, I think. It takes three hours for a train to come here and three hours to go back; that is six hours. That mileage is counted much more than a day's work; and, remember, I have not spoken at all of overtime, as I do not desire or intend to touch that. In six hours the railwayman is supposed to have done much more than a day's work.

Hon. Mr. ROBERTSON: May I interrupt my honourable friend for just a moment? I do not desire to interrupt him, but I do desire that he should understand the facts. Using the illustration that he has just mentioned, the three-hour run between Ottawa and Montreal, it should be said that the C. P. R. starting point is over in West Ottawa and the engineer must be on duty 45 minutes before he is due to leave. He must move his engine around by Chaudiere Junction, or Hull, to the Union Station, and he is on duty probably two hours before the departure of the train. When he reaches Montreal he must stand at Windsor Station until the passengers and baggage are removed, and must then back his train out to the yards at Westmount, and bring his engine to the roundhouse. So these duties make the trip consume twice the time of the mere run between Ottawa and Montreal. I hope my honourable friend does not overlook these facts.

Hon. Mr. BEAUBIEN: I take the word of my honourable friend for that, but I may reply that the conductor is not in exactly the same position.

Hon. Mr. ROBERTSON: He does not get as much money.

Hon. Mr. BEAUBIEN: He gets a very fat income, according to the figures I have just cited.

The engineers are the strongest labour union, I think, in the world. They have constantly refused to join the Federation of Labour in the United States, and they stand by themselves.

Now let us leave the privileged classes and come down to the ordinary bourgeoisie, as we may call them—the middle men, men of different trades. Let us make a comparison of the wages paid on the railway, and those paid elsewhere in similar occupations. I wanted to ascertain whether it was true or not that injustice was done to railway employees, and what did I find? May I point out that railway workers are employed much more steadily than other classes. For instance a painter employed by the C.P.R., painting cars in Montreal, is employed practically all the time, whereas an outside painter in the open labour market has only seasonal employment. I have taken the trades that are ordinarily employed outside as well as on the railways. Take carpenters: on the railways they are paid 63.6 cents, say 64 cents, while those outside are paid a little more—73 cents. Of course there is steady employment in one case and only seasonal employment in the other. Painters get 68 cents on the railways, and exactly the same outside; there is therefore an immense advantage for those on the railways. Machinists in railways get 73.6, or nearly 74 cents, while those outside get 63.4; boiler makers, on railways, 73.2, outside 61 cents; blacksmiths, on railways, 73.5, outside 61 cents; electrical workers, on railways, 68.8 cents; outside, 76.8. Outside labour in the case of electrical workers, appears to be higher.

I have computed all these amounts by taking the average of the wages paid in every city mentioned in the official statistics. There

are 13 cities throughout Canada, and the man who works in Vancouver gets very much more than the man in Montreal. We have ten men in Montreal as against one who works in Vancouver, but I have made no difference; Vancouver is counted as one unit, therefore this whole calculation is again to the advantage of the railway man; they suffer no injustice from the comparison.

What I can say, therefore, as to railway workers of the middle classes is that they are at least as well treated in the matter of wages as the other trade workmen employed in Canada. There is no doubt of that, and I think I am justified in saying their position is much better.

But now let us take the labourers. There is a great difference in the wages of these men, and of course it is quite evident why this should be so, for ordinary labour is not easily formed into unions. Whether ordinary labour is wanted or not depends on the condition of the free market, and therefore when a railway applies for ordinary labourers and promises steady work during the whole year, they offer 34 cents, but when labourers are out in the free labour market, they get higher wages, 42.5 cents, because they lose a good deal of time.

My conclusion, therefore, regarding all three classes of labour on the railways is this. The highest class is treated very generously; the middle class is treated at least as well as, and I think it is fair to say better than the corresponding class in other employment in Canada; and if for ordinary labour the rate shows a difference in favour of those not employed on railways, it is because they do not get steady employment. Furthermore, the railway labourers cannot very well form themselves into unions, and thus they often lose the opportunity of artificially maintaining their wages above the ordinary, reasonable market price.

My honourable friend has made a very skilful plea. He has said that the increase in railway wages has not kept pace with the increase in the cost of living; that there has always been a lagging behind, so to speak, of the railway wages, and that therefore, in all justice, the railway men have a claim for back pay of $346,000,000. It is so heavy that I think I had better call it a moral claim, lest it might affect the credit of the railways. Now let us see if that is quite right. There is the apparent truth, but if we dig a little deeper we get the real truth. Perhaps I should not even call that statement the apparent truth, for I have here a letter from the Dominion Bureau of Statistics which contradicts it, and I intend to refer to very different figures in a moment. This letter dated March 11, 1927, says that the cost of living has increased in Canada from 1913 to 1926 from 100 to 155—55 points. It says, further, that railway wages during the same lapse of time have increased from 100 to 159. I am going to place this letter on the table for the information of my honourable friend, but I do not think he will use it.

Hon. Mr. ROBERTSON: May I ask my honourable friend if he would be good enough to give the comparative figures as to the same dates?

Hon. Mr. BEAUBIEN: The letter refers to the same dates exactly.

Hon. Mr. ROBERTSON: That would not be accurate, because the figure for the end of 1926 was 158.9 for wages, and 157 for cost of living.

Hon. Mr. BEAUBIEN: I have further information to give concerning the cost of living and wages. The 1913 level being taken as 100, the cost of living index figure for 1926, in Canada was 155. So I am clear as to that first figure. On the same basis the index of the wages for steam railway men was 159 in 1926. The source of this information is the report on Wages and Hours of Labour in Canada, 1920-26, page 4.

Hon. Mr. ROBERTSON: My honourable friend will not find that figure. If he looks up that record he will see that it is 158.9 as against 157.

Hon. Mr. BEAUBIEN: I will now put a little problem to my honourable friend. Of course he is always skilful, and I have done my best to follow his example in a little computation which I have resorted to. He told us that the railway employees in Canada, from the president down to the lowest messenger, were paid, 57.7 cents an hour, which was less than the street sweepers of Toronto received. That seems extraordinary, but let us verify it.

I took the statistics of steam railways of Canada for 1924, the year which my honourable friend quoted, and I found that he was right for that year. I found that the total number of hours worked in 1924 by employees of all classes was 415,773,205. Then I found that the compensation had been $239,864,265. I divided this by the other, and the result corroborated my honourable friend. I doff my hat to him. But now let him be generous and come back with me to the first year for which information of this kind can be obtained from the statistics, that is, 1917. Unfortunately we have not the figures for 1914.

Hon. Mr. ROBERTSON: They go back to 1900.

Hon. Mr. BEAUBIEN: I have not obtained that information for 1914, though I did my best to get it, but I have it for 1917. I am at a little disadvantage, but I do not mind. Very well, what have I found? That there was in 1917 a total of 449,278,533 hours of labour, and that the compensation was $129,626,187. I divided one by the other, and reached the astounding conclusion that the rate per hour was 28.7 cents, say 29 cents, as against 58 cents in 1924—a difference between the two years of no less than 101 per cent! There is the truth, and we cannot get away from it. Let me tell my honourable friend, further, that from 1914 to 1917 railway wages had gone up 10 per cent; therefore the figure of 101 per cent increase is 10 per cent less than the truth. But, remember, I have not the statistics of 1914 and must stick to the evidence as I find it in the official document of 1917. I leave it to my honourable friend to review those figures, because they turn all the arguments against him.

Now, if what I have stated is true and there is no doubt about it—what is the situation? He says the railway wages lagged 23 points behind the increase in the cost of living, but I find now that the increase in railway wages exceeded the increase in cost of living by 25 points, and that the moral claim which he said the railway men had against the railways of this country for the trifling sum of $741,000,000, must therefore be turned back against the men for an amount exceeding that sum.

Hon. Mr. ROBERTSON: Will my honourable friend be good enough to explain to the House in detail how he arrives at any such conclusion as that? I have quoted the governmental figures. I made no argument; I simply laid the facts before the House as they exist, and quoted the authorities and the conclusions drawn, which he admits are accurate. It is wholly impossible, as far as I can see, to reach any conclusion such as my honourable friend suggests he arrived at.

Hon. Mr. BEAUBIEN: If my honourable friend will bear with me, I will refer him first of all to the statistics of Canada, which he himself quoted, as to the increase in the cost of living between 1913 and 1926, and if he follows them through he will not be able to deny my conclusion. The increase is from 100 to 155. Is not that right?

Hon. Mr. ROBERTSON: Yes; from 100 to 157. If my honourable friend will refer to page 66 of Hansard he will see the actual figures.

Hon. Mr. BEAUBIEN: I am referring to the Department of Labour figures which shows the cost of living to average about 155 in Canada.

Hon. Mr. ROBERTSON: About that.

Hon. Mr. BEAUBIEN: But I am going to be generous: I will make it 157. We have plenty of leeway. Now, will my honourable friend be good enough to take the figures I have quoted as to the total compensation and the total hours in the year which he himself has mentioned, namely, 1924? I suppose he will not deny that it establishes a rate per man per hour of 57.7 cents.

Hon. Mr. ROBERTSON: Quite so.

Hon. Mr. BEAUBIEN: Very well. Then will he be kind enough to make a similar calculation for 1917, putting down the total compensation paid in 1917 to railway men, $129,626,187, and dividing it by the total number of hours of work, in the same fair way as he has done for 1924, and then will he tell me whether he does not arrive at this answer, the only correct one, that the average wage per man per hour was 28.7 cents in 1917? Will the honourable gentleman admit that?

Hon. Mr. ROBERTSON: I will admit it.

Hon. Mr. BEAUBIEN: Very well. Therefore, honourable gentlemen—

Hon. Mr. ROBERTSON: But will my honourable friend allow me to qualify that admission? It is quite true that that was probably the hourly rate at that time, but surely the honourable gentleman would agree that 28 cents an hour in 1917 was a ridiculous wage for the average railway employee in Canada. My honourable friend is attempting to mix the two questions of wages and hours. Prior to 1918 the railway employees in Canada worked a ten-hour day. Since 1918 the day's work has been 8 hours. All my computations were on the basis of money earned, not upon hours of service rendered. The question of hours has nothing to do with the earnings. The money actually earned and received was correctly quoted, and I am sure that my honourable friend can reach no other conclusion than that in the figures placed on the record last week the truth was fully told.

Hon. Mr. BEAUBIEN: Then I must be very dense. I have taken my honourable friend's exact figures, and I now invite him to correct me if I am wrong. Let him take down the figures, make the calculations and ascertain the rate of wages per man per hour in both 1917 and 1924. When the rates are

ascertained in that way the honourable gentleman cannot deny and I maintain that it is a perfectly fair way to determine the increase in the average hourly wage from the one year to the other. It is no answer to tell me, "Yes, but our men do not now work 10 hours a day." That may be so, but surely in determining what a man earns you take his total remuneration and divide that by the total number of hours. In this case it is quite true that he works shorter hours, but that makes no difference, because I take the average amount earned per man per hour.

Hon. Mr. ROBERTSON: That has nothing to do with the final result. It is the earnings that count, not the hours that the employee works.

Hon. Mr. BEAUBIEN: I do not understand exactly what my honourable friend is driving at. After all, I am quite sincere, and I want to be corrected if I am in error. I know that this is the process used by the statisticians of Canada in every case. How do they determine, for instance, how much a carpenter earns in Montreal, Quebec, Winnipeg, or any other city? They take the number of hours that he works and the wages that he receives in a day, a month, or a year. I have used exactly the same method in both cases and I find, on comparing the hourly remuneration per man in 1917 with that of 1924, there is an increase of 101 per cent. Remember, the McAdoo award, which practically strangled all our railways at the time and was a real scandal, giving outrageous increases to certain men without any justification. The honourable gentleman knows that as well as I do.

Hon. Mr. ROBERTSON: Will my honourable friend agree that the McAdoo award was adopted by Canadian railways voluntarily and was never requested by the employees?

Hon. Mr. BEAUBIEN: Certainly, I admit that; and I will go further and say that the railways could do nothing but adopt it. They were obliged to do so. May I be allowed to illustrate that? A man was relating that once, as he was going up the Nile to Assuan, he saw a turtle emerge from the river, followed by a crocodile. He said: "You know, it was very interesting to watch the turtle. She went as fast as she could along the shore and then she climbed a tree." His friend said: "What? A turtle cannot climb a tree." "No", he replied, "but this one had to." The railways had to.

Hon. Mr. ROBERTSON: I should be interested in knowing why, because they were never asked to do so.

Hon. Mr. BEAUBIEN: Well, there are methods by which powerful organizations like those to which the railwaymen belong may very easily signify their intentions, and the sooner that is understood, the better. However, I will deal a little later with that phase of the subject. I must hurry on.

I am asking my honourable friend to be good enough, before answering these arguments of mine, to verify the figures and tell me whether I am wrong or not. I want him to do that.

The second point brought up was that the increase in wages of railway employees had fallen behind the increase in wages in all other occupations. I think that the argument which I have just presented demonstrates that the increase of railway wages kept ahead of the increase in other wages, for the increase in the wages of railwaymen was more than 101 per cent, whereas the average increase in all other wages in Canada was 75.9. Therefore, reverting to the $740,000,000 to which the railwaymen are supposed to have a moral claim, my honourable friend can see that such a claim would much more equitably belong to other workmen because their wages have increased 26 points less than the wages of railway employees. So the shoe is on the other foot.

Another contention on which great stress has been laid is that railwaymen in Canada should be paid the same wages as the railwaymen in the United States. My honourable friend has admitted that there is a difference in conditions between the two countries and that this difference must be taken into consideration. We know what a man in a certain trade can get for an honest day's work in Canada as compared with what he would get in the United States. I take the year 1924, because that was the year selected by my honourable friend (Hon. Mr. Robertson), and I find that carpenters earned 73 cents an hour in Canada, and that in the United States they earned $1.16, or over 50 per cent more; I find that painters in Canada were paid 68.3 cents, while in the United States they received $1.16 an hour, or 60 per cent more; I find that machinists were paid 63 cents an hour in Canada, and 87 cents an hour in the United States, or 40 per cent more; I find that blacksmiths in Canada were paid 64 cents an hour, while in the United States they were paid 95 cents an hour, or over 50 per cent more; and finally, I find that boiler makers in Canada received 61 cents an hour, while in the United States they received 84½ cents an hour, or 40 per cent more. So, if you take the weighted wage

average of all those trades, you will find that the United States figures are about 50 per cent in advance of those for Canada.

Now, what is the difference between railway wages in the United States and railway wages in Canada? When my honourable friend claims that railway employees are paid 57 cents an hour, he makes no distinction regarding the three classes of which I have spoken. I think it will be admitted that the privileged classes of railway employees in both countries are about equally remunerated. But let us say that there is a maximum difference of 10 per cent. I do not think it is that much. I think it is true that certain of those employees, but not all, are paid about 7 or 8 per cent less.

We have seen what artisans are paid in the United States and what they are paid in Canada. Is that fair? I submit that it is not; I say those railway employees should be paid a wage governed by the general economic conditions of Canada, like the rest of labour remuneration. They should follow the law of supply and demand. Why does a man who earns his living at a trade get 50 per cent less for his labour in Canada than he would in the United States? We know, much to our dissatisfaction, that that is the fact, because by reason of it many of our children have gone across the line. But why, honourable gentlemen, should this normal law of supply and demand be thrust aside for those privileged employees? Is it because a man is an engineer or a conductor or a telegrapher? No. The reason is very simple, and in itself it constitutes a very serious problem for Canada. It is because the labour unions very strongly entrenched in the United States, overlapping into Canada, are strong enough to impose their will even upon such tremendous organizations as our railways. I ask you, honourable gentlemen, is it fair that the wages these men receive should be artificially maintained by the strength of foreign unions?

Possibly we may have to seek some remedy against the imposition of unjustified rates, because willy nilly we cannot get away from the conditions under which we live. We are a young country; we are establishing the nation, and in what we pay as well as in what we earn, we cannot compete with such a tremendous country as the United States. The difference between the remuneration in one country as compared with the other for this class of labour and in fact for labour generally is enormous. Why should it be so much less for the privileged classes of railway employees in Canada? Now is the time, during the building up of Canada, for those who are patriotic to follow the law imposed upon them by national conditions, and to accept reasonable remuneration commensurate with these conditions, otherwise, some day corrective measures will have to be taken.

Now, honourable gentlemen, just one last word. I want to ask my honourable friend from Assiniboia (Hon. Mr. Turriff) to be good enough to bear with me while I quote a few figures. The very life of the railways is at stake, caught between the two relentless jaws of the pincers—a decrease in railway rates, and an increase in railway wages.

Has the western farmer a genuine right to complain? Let me put before you as quickly as I can certain facts. The population of Canada is 6,650,000 in the East, and 2,701,600 in the West. In the East there are 15,187 miles of railway, and in the West 18,731 miles. The freight revenue of the East, notwithstanding its lesser mileage, is $458,410,461; while that of the West is $382,083,103. The revenue per mile of line in the East is $2,085; in the West it is $1,596. The net revenue per ton-mile in the East is $1.17; in the West, 80 cents. From these figures it is evident that our railways are making much less profit in the West than they are in the East.

The next question is: are the rates charged by the railway companies for the transportation of wheat excessive? First of all, what is the total tonnage carried? In 1925 the total was 109,850,925 tons, of which 11,965,782 tons were wheat. If you deduct from that 10 per cent for wheat grown in the East, upon which no reduction in rates is asked, you have 10,768,204 tons of wheat remaining as against a total of 109,850,925 tons. That shows the relative importance of western wheat in the matter of transportation.

What are the rates? I find that on an average run of between 700 and 1,200 miles —from Regina, Saskatoon, or Edmonton, to Fort William or Port Arthur—the rate per bushel per mile in Canada is one and one-half cents, as against an average rate in the United States of three cents. Another comparison with the Argentine, where, of course, the runs are short, appears in the computation I have in my hand.

Comparative Wheat Rates

Dominion Bureau of Statistics—Internal Trade Branch

Rail Freight Rates on Wheat (1923)

	Miles	Rate per bushel	Rate per bush. per mile
		cts	cts
Canada—			
From Regina to Fort William Port Arthur	794	12.0	.0151
From Saskatoon to Port Arthur	908	14.4	.0158
From Edmonton to Port Arthur	1,232	15.6	.0111
Average Canada about			.015
United States—			
From Scobey, Mont. to Duluth	708	22.5	.0317
From McPherson, Kansas to Galveston	974	27.0	.0277
From McPherson, Kansas to New Orleans	771	27.0	.035
Average United States about			.030
Argentine—			
From Corral de Bustos to Rosario	111	9.5	.085
Average distance to Buenos Aires	145.85	10.05	.0689
Average for Argentine	140.04	9.96	.0711

This comparison of rates in Canada and in the United States for similar hauls shows conclusively that our rates are only 50 per cent of those charged in the United States, and that therefore it is impossible for us to go any lower.

I apologize, honourable gentlemen, for having spoken at such great length. May I close with the prayer that the men in this House, leaders of opinion in the country, may unite in exercising a moderating influence upon those who follow them. Otherwise, what is going to become of us? My honourable friend (Hon. Mr. Robertson), instead of emphasizing the discontent of railway employees and encouraging them to go ahead and exact higher wages, might restrain them and tell them: "No, in a country like Canada, so widely spread and so sparsely populated, you cannot expect greater remuneration now. We have to build and construct; we have to deprive and deny ourselves at this time, so that our children may reap the benefit." And the honourable gentleman from Assiniboia (Hon. Mr. Turriff) might direct his voice toward the beautiful and immense plains of the West, and say to the people there: "Already you are better treated in railway transportation of your main commodities than any farmers throughout the world. Be patient, and as your crops grow so will the population grow, and with patience and forebearance, the harvest will come to you bearing a thousand fold."

On motion of Hon. W. B. Ross, the debate was adjourned.

Hon. Mr. BEAUBIEN.

SOLDIER SETTLEMENT BILL

FURTHER CONSIDERED IN COMMITTEE, AND REPORTED

The Senate again went into Committee on Bill 61, an Act to amend the Soldier Settlement Act.

Hon. Mr. Stanfield in the Chair.

The Hon. the CHAIRMAN: Honourable gentlemen, at the last sitting we considered all of this Bill except paragraphs (e) and (i).

Hon. W. B. ROSS: We carried paragraph (e) as amended. There was just a little confusion about the lettering of paragraphs (h) and (i). The honourable member for De Salaberry (Hon. Mr. Béique) moved an amendment to paragraph (h), which was adopted. That is all right. That should go in as paragraph (i), and the present paragraph (i) should become paragraph (j).

Hon. Mr. COPP: I understood that paragraph (h) was stricken out altogether and another paragraph substituted for it.

Hon. W. B. ROSS: That is the error that was made. Paragraph (h) will have to be amended, and then the amendment of the honourable gentleman from De Salaberry (Hon. Mr. Béique) will have to go in as pargaraph (i). Paragraph (h) as it stands in the Bill relates to the Committee, referred to in section (e), for which we substituted the Exchequer Court. So paragraph (h) will have to be amended to correspond with paragraph (e) as amended.

Hon. Mr. COPP: I understood that paragraph (h) was stricken out altogether and a new paragraph substituted for it.

Hon. W. B. ROSS: That was the mistake. Paragraph (h) has to go back, as amended. Then the amendment comes in as (i) and the present subsection (i) becomes (j); then the Bill is complete.

Hon. Mr. DANDURAND: Yesterday I had two questions put to me. One was by the honourable gentleman from Edmonton (Hon. Mr. Griesbach), who wanted to know what would be the action of the Exchequer Court in proceeding to inquire into the facts of an appeal which would be laid before it. I believe amendments were moved yesterday allowing regulations to be made which will govern the Exchequer Court. As my attention has been drawn to a clause of the Soldier Settlement Act, section 58 of chapter 71, I will not move the third reading of this Bill to-day, and after we come out of committee and before taking the third reading, we can see if the amendments which have been made overlap section 58.

When the Soldier Settlement Bill was enacted it gave power to the Department to purchase land, and even gave it rights of expropriation, and allowed the Exchequer Court to deal with such matters. It went further, and in clause 58, said:

If the judge of the Exchequer Court shall so request, the Governor in Council may, as and when requested, appoint one or more persons, qualified for appointment as judges of the Exchequer Court, to be judges ad hoc of such court for the purpose of assisting in the performance of the duties which are imposed upon such Court by this Act.

If the Bill as amended by the Senate becomes law, this section will apply to the proceedings of revaluation, and will give elasticity to the Exchequer Court merely through a request to the Governor in Council, and allow it to call for help from various parts of the country for examination of claims, the receiving of evidence, and the reporting to the Exchequer Court.

Hon. Mr. GRIESBACH: Before my honourable friend passes that point, would it not be well to add a clause to this Bill citing the clauses in the Soldier Settlement Act which have just been referred to, so as to make it clear?

Hon. Mr. DANDURAND: I do not believe that is necessary, because we are simply amending the Act itself.

Hon. W. B. ROSS: That is part of the old Act.

Hon. Mr. DANDURAND: But we shall have opportunity to examine into that between the committee stage and the third reading. That is the reason I have read the section, so that we may examine it in relation to the amendments which were proposed yesterday.

On paragraph (c) reconsidered—how depreciation shall be computed:

Hon. Mr. DANDURAND: Honourable gentlemen, I believe that subsection (c) was suspended in order to allow me to give an explanation to the honourable gentleman from New Westminster (Hon. Mr. Taylor). My memory did not carry me back to the discussion which took place last year on this question, and I called for some information from the Department. Here is the answer which I got from John Barnett, the Chairman of the Soldier Settlement Board:

The section in the Bill which was questioned by Senator Taylor is the last part of subsection (c), in which it states that the actual sale price of land shall not be deemed to be greater than the maximum amount which the Board could advance for land under Section 16 of The Soldier Settlement Act.

Section 16 of The Soldier Settlement Act provided that the maximum amount which the Board could sell any land to a settler at was $5,000. The price at which land was sold to a settler is, of course, set out in an agreement for sale which recites the total purchase price and credits to the settler as an initial payment whatever initial payment he made to the Board, the balance of the purchase price being spread over twenty-five years. If the total purchase price was more than $5,000, then the settler must have paid a large initial deposit himself.

In such cases no consideration would be given to that extra large initial payment which he made himself, but in the ordinary cases, where the total purchase price did not exceed $5,000, revaluation would be based on that price, which would, of course, include any initial payment that he made and, therefore, the settler would not be prejudiced in revaluation so far as his initial payment is concerned.

Two illustrations may make the matter clear. We will suppose that a settler bought from us a piece of land for $4,000, on which he paid $400 himself. The agreement for sale from the Board to him would state the purchase price as $4,000. It would acknowledge receipt of an initial payment of $400, and it would provide that the balance of $3,600 was to be paid in twenty-five equal, annual instalments amortized. If on revaluation it is shown that that land is worth only $3,000, the settler would then be given credit for the difference between $3,000 and the purchase price of the land, namely, $4,000, that is, he would get a credit of $1,000.

Second example. If, on the other hand, a settler came to us, say in 1919, and asked us to buy for him a property costing $6,000, our office were compelled to explain to him that the law would not enable us to sell any land to him at a price of more than $5,000. Consequently, if he wanted this particular farm, he would have to pay any excess himself. If he

did so, and it now transpires on revaluation that his land was not worth $6,000, but only worth $4,500, the only revaluation that he could get under the Bill would be the difference between $4,500, its present value, and $5,000, which is the maximum that the Board had any right to advance under Section 16 of The Soldier Settlement Act.

These two illustrations should make it clear how the section should work out.

I think this explanation is clear enough to my honourable friend.

Hon. Mr. TAYLOR: Yes; the first part of that answer satisfactorily clears up the point I raised.

Hon. Mr. DANDURAND: I move the adoption of that paragraph.

Paragraph (c) as amended was agreed to.

On paragraph (h)—regulations:

The Hon. the CHAIRMAN: Hansard said that the proposed amendment of Hon. Mr. Béique was agreed to.

Hon. W. B. ROSS: Yes; but I think there ought to be a formal motion that paragraph (h) be restored, in the following words:

(h) The Board may, with the approval of the Governor in Council, make such regulations as may be necessary for the purposes of this section.

That restores (h); then the amendment of Hon. Mr. Béique will become paragraph (i), and I will move that it be lettered (i), and that paragraph (i) be lettered (j). That will straighen out the whole matter. Then if the Bill is printed to-day, and third reading takes place at the next sitting, we can check it all. But we had better not take the third reading now.

Hon. Mr. DANDURAND: All right.

Hon. Mr. COPP: Is not that the amendment moved by Hon. Mr. Béique?

Hon. W. B. ROSS: No; the amendment moved by Senator Beique is coming in next.

Hon. Mr. GRIESBACH: I am not so sure that this paragraph is required now, but my understanding is that the paragraph just read refers to action of the Soldier Settlement Board in its dealings with the reduction in valuation, if any, while the amendment of the honourable gentleman from De Salaberry (Hon. Mr. Béique) deals with the regulations under which the Exchequer Court will proceed. Then there is the further question introduced by the honourable leader of the Government a few moments ago. I think the suggestion is a sound one, that we should have all these clauses printed, so that we may see what relation they bear to each other.

The motion of Hon. Mr. Ross was agreed to.

Hon. W. B. ROSS: Now I move that paragraph (h) as moved by the honourable member for De Salaberry (Hon. Mr. Béique) be lettered as paragraph (i) instead of (h).

The motion was agreed to.

New paragraph (j) was agreed to.

The preamble and title were agreed to.

The Hon. the CHAIRMAN: Shall I report the Bill?

Hon. Mr. TAYLOR: Before the Bill is reported I would like to ask the leader of the Government what consideration, if any, has been given to the representations made by the Canadian Legion with respect to this Bill. No doubt every member of the Senate is aware that the Canadian Legion is the one big union into which the service organizations of Canada were merged during the past year. At their meeting in January at Winnipeg they gave very particular attention to this Bill, and made detailed representations to the Government.

Hon. Mr. DANDURAND: I have not those representations before me. If they were sent to the Government they must have been considered by the Minister who presented this Bill. Could the honourable gentleman tell us if there is any difference between the resolutions of the Legion and the Bill as printed?

Hon. Mr. TAYLOR: Yes. I am sorry to hear that no consideration has been given.

Hon. Mr. DANDURAND: No; my honourable friend misapprehends my statement. I did not say that no consideration was given; I said that I had not that resolution before me. I stated, on the contrary, that I presumed that consideration had been given by the Minister who presented this Bill.

Hon. Mr. TAYLOR: I was led to make that remark just now because of the fact that the honourable leader of this House is a very influential and wide-awake member of the Government, and I took for granted that if a matter so serious were considered in Council he would of course be aware of it.

The resolutions of the Canadian Legion were set forth in detail in the proceedings of the other House on the 4th of March, and anyone interested can read them in Hansard of that date. May I be permitted to refer to what happened then, without going into the matter in a controversial way? The Minister on that occasion stated in the after-

noon that representations had never been delivered to him, but in the evening he corrected that and said, in effect, that they had been delivered to him by an officer of his Department. But the fact that he added nothing to that indicated that no consideration had been given up to the 4th of March. Two weeks have passed since then, and there has been opportunity during this time to give consideration to those important representations. That is why I raised the question just now.

In effect, the Legion requested the Government not to proceed with this Bill in the shape in which it left Parliament last year. They represented that the proceedings would be very tedious and costly, very unsatisfying, and would not settle the grievances under which the soldier settlers of Canada were labouring. The reasons for those statements were set out in very great detail, and I will not detain the House by attempting to retell them, but would refer members to Hansard of the date mentioned. The principal request made was that there should be no attempt at revaluation as proposed, but instead that there should be a complete remission of interest to the soldier. They pointed out the impossibility of soldiers paying for their lands out of the profits of operation, and gave authority for the statement that nothing of the kind had ever been accomplished in Canada. They referred very feelingly to the number of years of gap in the lives of those soldiers, the labour that they had put into this scheme in their endeavours to make good on the land for seven or eight years. They urged upon the Government in the strongest possible way to relieve these men before it is too late—before they are compelled to abandon the land in despair—by making such an arrangement as they suggested. I must express my disappointment as an ex-member of the forces and one of those interested in the work of the League, that when they have taken the trouble to organize, as they have done, to settle their own differences and amalgamate so many of their former associations into one big union under sane and reasonable auspices, with officers of the highest standing at the head of it, and after they have made representations of this kind to the Government—a Government which, as we know, has been lately strengthened by the addition of a gallant soldier as Minister of National Defence —that a measure repugnant to soldiers as a body throughout Canada is to be passed through both Houses of Parliament without the appeal of the Legion having been considered. I would suggest that even at this late date it is worth while for the Government in Council to consider the representations of the Legion before this Bill is finally passed.

Hon. Mr. DANDURAND: Do I understand that the Legion suggested that instead of revaluing the land of the soldiers who are in arrear in their payments, the amounts due by those soldiers should be completely remitted to them?

Hon. Mr. TAYLOR: Oh, no; that the whole interest should be waived—that the allowance made to the soldiers should be a complete remission of interest. We have already remitted interest from time to time. There was a gap of three or four years in the interest so remitted. But they point to the impossibility of arriving at any satisfactory conclusion in the way of revaluation of the land, and they refer to the example of the Governments that have waived interest of the national debt or fixed it at a nominal figure. They say that a measure of justice all around would be done by remission of the interest at present being charged to the soldiers for the money that they owe on their land.

Hon. Mr. DANDURAND: Does the honourable gentleman imply by that statement that the Legion would be satisfied if interest were remitted and the capital were not reduced?

Hon. Mr. TAYLOR: They ask for both, but in the discussion it was made very plain that they would be satisfied if the interest were remitted. Here is the text of the request.

Hon. Mr. McMEANS: What clause are we discussing, Mr. Chairman?

Hon. Mr. TAYLOR: We are discussing the report on the Bill. I am calling attention to the desirability of considering the representations made by the Canadian Legion before we report the Bill.

Hon. Mr. McMEANS: Can we not take that on the third reading?

Hon. Mr. TAYLOR: This is the proper time to discuss it. I have almost finished anyhow. I hope it is not desired to shut off the representations.

Hon. Mr. McMEANS: No, no.

Hon. Mr. TAYLOR (reading):

The Convention, however, is unanimously of opinion that the revaluation of lands, being the form of relief generally indicated by Government speakers, will be slow, costly and inade-

quate; and the Convention, knowing well the problems of the Soldier Settler calls earnest attention to the following minimum requests and requirements:

(a) That, pending the effective application of relief measures no settlers be evicted from their farms, and all distress proceedings be stayed;

(b) That all interest charges on loans be waived, and that all payments already made on account of interest be applied in reduction of principal; this provision to cover entire contract period, and to include interest consolidated into loans.

(c) That a general reduction of twenty-five per cent be made to the Settler on the original cost of the farm, the permanent improvements and the equipment.

(d) That, further where special hardships have arisen from climatic disaster, ill-health or other cause beyond the control of the Settler, provision be made to reduce the indebtedness to such a sum as the farm can fairly bear as a commercial investment.

There is a paragraph (e), but it has been incorrectly copied here and does not make sense as copied.

Hon. Mr. DANDURAND: All I can say is this, that I believe that the Bill which is before us will largely cover the desires of the Legion as expressed in that resolution. It must not be forgotten that last year a rather large proportion—an astounding proportion—of the soldiers who answered the inquiry declared that they were satisfied with their purchase and did not intend to apply for a revision. Now, the Department knows each case and, as we heard in Committee last year, is ready to examine in a fair and equitable spirit the whole situation and afford relief in individual cases. We must not forget, either, that 400,000 or 500,000 soldiers were mobilized and went overseas. The soldiers who were settled upon the land were, I consider, a privileged class, for they obtained credit from a very liberal and paternal banker, the Government of Canada. Since advancing that money we have shown by our actions in two pieces of legislation our desire to do the fair thing. The present legislation allows a review of each case in a generous spirit for the purpose of ascertaining the actual market value of the land. If a foreclosure were made, or if the settler abandoned the land, it would be necessary to find a purchaser to whom that piece of property could be transferred. I believe that on examining this legislation the soldiers will find in it all the remedies that they are seeking by their resolution. It is very easy to make a sweeping demand or request covering thousands of cases, but the Department, or the Board established for the handling of these matters, knows each case and I am convinced that under the legislation which we are now passing the soldiers who for some cause or other are in arrear will be treated in a most equitable manner. They have no legal claim. If they had applied to a banker and bought property they would now be facing the stern right of the banker to claim every dollar he advanced. The soldiers have had the advantage of obtaining help from the Government. We know that they are being treated fairly, and we all desire that they should be dealt with most liberally.

The Hon. the CHAIRMAN: Shall I report the Bill as amended?

Hon. Mr. GRIESBACH: Just before you do that, I think it would be proper to observe, in reply to a remark by my honourable friend from New Westminster (Hon. Mr. Taylor), that the Canadian Legion is not the one big union which he says it is. It is a very influential soldier body, but it by no means embraces all the soldiers' organizations there are. As I happen to be the head of one organization which is not in the Legion, I would like to make that fact clear.

With respect to the resolution to which my honourable friend (Hon. Mr. Taylor) has referred, I could not agree to the recommendations myself. First of all, it urges that all interest be remitted and that all interest paid be applied on purchase price. There you have no removal of the inequalities that exist between man and man, and proposition and proposition. They are just where they were before. You would be reducing the interest in the case of a man who was perfectly satisfied with the price that he paid. Further, it it recommended that there should be an all-round reduction of 25 per cent. There again you leave the inequalities previously existing; there again you have a man getting 25 per cent reduction who may be entitled to more, and you have another settler getting 25 per cent reduction though he has claimed no reduction at all.

Those were the two principal recommendations, and neither of them appealed to me as an equitable solution of the difficulty.

Hon. Mr. TAYLOR: With all due deference to the gallant soldier who has just spoken, I do not think he has given any reasons why the representations of the Canadian Legion of the British Empire Service League should not be considered by the Government in connection with a Bill of this

kind. I have very great respect for the Canadian Legion, who represent the mass of the soldiers of Canada and who are in very great earnest in the work that they are attempting to do for the soldier settlers.

Hon. Mr. GREISBACH: I join with my honourable and gallant friend in his condemnation of the honourable leader of the Government for not having consulted this body. I entirely associate myself with the honourable and gallant gentleman from New Westminster.

The Bill was reported, as amended.

The Senate adjourned until Tuesday next at 8 p.m.

THE SENATE

Tuesday, March 22, 1927.

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

Prayers and routine proceedings.

DIVORCE COMMITTEE REPORTS

MOTION FOR CONSIDERATION

Hon. Mr. WILLOUGHBY presented reports Nos. 133 to 144, inclusive, of the Standing Committees on Divorce.

He said: Honourable gentlemen, in order to try, as we have done in another respect, to shorten as much as possible these more or less formal proceedings, I now move, by consent of the House, that the reading of these reports be dispensed with, and that they be taken into consideration on Thursday next. As honourable members of this House know, the important stage of procedure in this matter is the consideration of the reports.

For the information of many honourable gentlemen who have been inquiring, I may say that there are over eighty divorce petitions still remaining to be dealt with.

Hon. Mr. DANDURAND: Would it not be in order for the Senate to express its sympathy with the Divorce Committee?

Some Hon. SENATORS: Hear, hear.

Hon. Mr. WILLOUGHBY: We are all trying to do our best.

The motion was agreed to.

RURAL CREDITS BILL

FIRST READING

Bill 62, an Act for the purpose of establishing in Canada a system of long term mortgage credit for farmers.—Hon. Mr. Dandurand.

32655—8½

NORTH WEST TERRITORIES BILL

FIRST READING

Bill 123, an Act to amend the North West Territories Act.—Hon. Mr. Dandurand.

WAR REVENUE AMENDMENT BILL

FIRST READING

Bill 149, an Act to amend the Special War Revenue Act, 1915.—Hon. Mr. Dandurand.

INCOME WAR TAX AMENDMENT BILL

FIRST READING

Bill 150, an Act to amend the Income War Tax Act, 1917.—Hon. Mr. Dandurand.

APPROPRIATION BILL NO. 4

FIRST READING

Bill 151, an Act for granting to His Majesty a certain sum of money for the public service of the financial year ending the 31st March, 1927.—Hon. Mr. Dandurand.

DIVORCE BILLS

FIRST READINGS

Bill Y5, an Act for the relief of Jessie Wright.—Hon. Mr. Willoughby.

Bill Z5, an Act for the relief of Audrey Idelle Knowles.—Hon. Mr. Willoughby.

Bill A6, an Act for the relief of William Edward Couch.—Hon. Mr. Willoughby.

THIRD READINGS

Bill G4, an Act for the relief of Helen Pettit Bruce.—Hon. Mr. Willoughby.

Bill H4, an Act for the relief of Hugh Devlin.—Hon. Mr. Willoughby.

Bill I4, an Act for the relief of Charles Wilson.—Hon. Mr. Willoughby.

Bill J4, an Act for the relief of Josephine Ray Ennis.—Hon. Mr. Willoughby.

Bill K4, an Act for the relief of Della Laurel Cox.—Hon. Mr. Willoughby.

Bill L4, an Act for the relief of Rose Clucksberg.—Hon. Mr. Willoughby.

Bill M4, an Act for the relief of Murray Richard Minler.—Hon. Mr. Willoughby.

Bill N4, an Act for the relief of John Leslie MacLellan.—Hon. Mr. Willoughby.

Bill O4, an Act for the relief of Elizabeth Brown.—Hon. Mr. Willoughby.

Bill P4, an Act for the relief of Matilda Emily Cantrell.—Hon. Mr. Willoughby.

Bill Q4, an Act for the relief of Mary Ellen Walker.—Hon. Mr. Willoughby.

Bill R4, an Act for the relief of Edwin Walter Wood.—Hon. Mr. Willoughby.

Bill S4, an Act for the relief of Harriett Robinson.—Hon. Mr. Willoughby.

Bill T4, an Act for the relief of Homera Emilie Hodgson.—Hon. Mr. Willoughby.

Bill U4, an Act for the relief of Paul Elester Scarr.—Hon. Mr. Willoughby.

Bill V4, an Act for the relief of Ronald Lorne Johnston.—Hon. Mr. Willoughby.

Bill W4, an Act for the relief of Eva O'Neil.—Hon. Mr. Willoughby.

Bill X4, an Act for the relief of Mabel Beatrice Nash.—Hon. Mr. Willoughby.

Bill Y4, an Act for the relief of Isabella Emily Blue.—Hon. Mr. Willoughby.

Bill Z4, an Act for the relief of Cherie Amy Aston.—Hon. Mr. Willoughby.

Bill A5, an Act for the relief of Ida Gertrude LeFevre.—Hon. Mr. Willoughby.

Bill B5, an Act for the relief of Inez Mary Pitcher.—Hon. Mr. Willoughby.

Bill C5, an Act for the relief of Charles Murray Mutch.—Hon. Mr. Willoughby.

Bill D5, an Act for the relief of Estelle Henrietta Cartwright.— Hon. Mr. Willoughby.

Bill E5, an Act for the relief of Ronald Ross File.—Hon. Mr. Willoughby.

Bill F5, an Act for the relief of Grace Mantle.—Hon. Mr. Willoughby.

Bill G5, an Act for the relief of Emma May Ryan.—Hon. Mr. Willoughby.

Bill H5, an Act for the relief of Muriel Martha Hammond.—Hon. Mr. Willoughby.

Bill I5, an Act for the relief of Anna Mae Francis.—Hon. Mr. Willoughby.

Bill J5, an Act for the relief of Harold James Hubbard.—Hon. Mr. Willoughby.

Bill K5, an Act for the relief of Indiaetta Muriel Taylor.—Hon. Mr. Willoughby.

Bill L5, an Act for the relief of William Arthur Dillabough.—Hon. Mr. Willoughby.

Bill M5, an Act for the relief of James Alfred McCabe.—Hon. Mr. Willoughby.

Bill N5, an Act for the relief of Frederick George Jones.—Hon. Mr. Willoughby.

Bill O5, an Act for the relief of Manford York.—Hon. Mr. Willoughby.

SECOND READINGS

Bill Q5, an Act for the relief of Queenie Isobel Parks.—Hon. Mr. Willoughby.

Bill R5, an Act for the relief of Charles Shedrick Phillips.—Hon. Mr. Willoughby.

Bill S5, an Act for the relief of Lavina Harrison.—Hon. Mr. Willoughby.

Bill T5, an Act for the relief of Marretta Isobelle Grose Leach.—Hon. Mr. Willoughby.

Bill U5, an Act for the relief of Mabelle Amelia Bulmer.—Hon. Mr. Willoughby.

Bill V5, an Act for the relief of John Lauron Garfield Evans.—Hon. Mr. Willoughby.

Bill W5, an Act for the relief of Ernest Arthur Kingston.—Hon. Mr. Willoughby.

Bill X5, an Act for the relief of Norah Louise Patricia Campbell Chauvin.—Hon. Mr. Willoughby.

PRIVATE BILLS

THIRD READINGS

Bill 71, an Act respecting the Alberta Railway and Irrigation Company.—Hon. Mr. Buchanan.

Bill 73, an Act respecting the Canadian Pacific Railway Company.—Hon. Mr. Willoughby.

Bill 77, an Act respecting the Manitoba and North Western Railway Company of Canada. —Hon. Mr. Watson.

SECOND READING

Hon. Mr. BELCOURT moved the second reading of Bill P5, an Act respecting a certain patent of R. T. Vanderbilt Company.

Hon. W. B. ROSS: Would the honourable gentleman tell us what is proposed by this Bill?

Hon. Mr. BELCOURT: I do not know that I can enlighten my honourable friend. I know it is a patent Bill, that is all.

Hon. Mr. ROSS: We will find out in Committee.

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

SECOND READING

Hon. Mr. BEIQUE moved the second reading of Bill 42, an Act respecting certain patents owned by Albert P. Frigon.

Hon. W. B. ROSS: I would like to ask the honourable gentleman on what this Bill is based. What is the principle of the Bill, if there is a principle in a bill of this kind? I understand that there are objections to the renewal of this patent; that it has been dead for five years.

Hon. Mr. BEIQUE: The patent covers an invention of considerable importance; it is for the manufacture of cement beams for buildings. During the war there was no call for the goods, and the patent was allowed to lapse. The purpose of this Bill is to revive the patent, as has been done in other cases. The Bill has been considerably amended in the other House. It will be for the parties interested to justify their request before the Committee of this House.

Right Hon. Sir GEORGE E. FOSTER: I did not catch very well the explanation made by my honourable friend. May I ask this question? Has this Bill been reported upon favourably by the Department? Does a report from the Department stand as the basis of the legislation?

Hon. Mr. BEIQUE: I understand that the rule applied by the Committee of this House is that the Department must always be consulted. I have no special information as to what has passed in the House of Commons but I know the Bill has been considerably amended there, and I take it for granted that the Department was consulted.

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

SOLDIER SETTLEMENT BILL

THIRD READING

Bill 61, an Act to amend the Soldier Settlement Act.—Hon. Mr. Dandurand.

DEPARTMENT OF NATIONAL REVENUE BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 113, an act respecting the Department of National Revenue.

Hon. Mr. Taylor in the Chair.

Sections 1 to 5 were agreed to.

On Section 6—Customs Act, etc.:

Hon. Mr. DANIEL: How many Deputy Ministers will there be under this Act? Will there be any more appointed?

Hon. Mr. DANDURAND: There will be three commissioners, who will each have the power, but not the rank, of Deputy Minister.

Hon. Mr. DANIEL: Do I understand that there will be no more Deputy Ministers or Commissioners than there are at present?

Hon. Mr. DANDURAND: They are the heads of these three large branches, the Excise, the Customs, and the Income Tax.

Hon. Mr. DANIEL: They rank as deputy heads?

Hon. Mr. DANDURAND: They have the status of deputy heads.

Hon. Mr DANIEL: And they obtain the salary of deputy heads, I presume?

Hon. Mr. DANDURAND: Yes.

Section 6 was agreed to.

Section 7, the schedule, title, and preamble were agreed to.

The Bill was reported without amendment.

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

CANADIAN NATIONAL REFUNDING BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 121, an Act respecting the Canadian National Railways and to provide for the refunding of certain maturing financial obligations.

Hon. Mr. Belcourt in the Chair.

The Bill was reported without amendment.

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

CROWN DEBTS BILL

SECOND READING POSTPONED

On the order:

Second reading of Bill 122, an Act respecting certain debts due the Crown.—Hon. Mr. Dandurand.

Hon. Mr. DANDURAND: Honourable gentlemen, I have been asked by an honourable member of the Senate who happens to be absent to have the second reading of this Bill postponed until to-morrow.

Right Hon. Sir GEORGE E. FOSTER: If honourable gentlemen would permit me a word, I would like to call the attention of the honourable leader to this Bill. It is an important measure. Evidently there are grievances which exist, and which are pretty well founded, on account of certain things which have happened; at the same time it looks very much like a general jubilee remission of debts, put practically in the hands of the Department itself, although to be done through the Governor in Council.

I think we shall require a pretty full explanation of this Bill before it can pass. It looks like giving the Department unlimited power. The amounts involved may not be large, or they may aggregate millions; we do not know. It is a pretty wide power to put practically in the hands of a Department.

Hon. Mr. DANDURAND: Of course it is quite natural that one should have more confidence in himself than in his neighbour, and I do not intend to recriminate when I mention the fact that the right honourable gentleman showed more confidence in himself in 1918 than he seems to show in the present Minister of the Interior. In 1918 he and his colleagues passed an Order in Council giving to the Department the very same powers under the War-time Measures Act, and those powers remained in effect until that measure was repealed.

I think my right honourable friend will find that the causes which justified the Order in Council which he passed in 1918 still exist, and in aggravated form. In reading this small Bill I can see the very wide powers given to the Department. I have made it my duty to read the whole debate that took place elsewhere; so I am fairly conversant with the situation.

In accordance with the wish of the honourable gentleman from Alberta, who happens to be absent, I am willing to have the second reading of the Bill postponed until to-morrow.

The order stands.

EXCISE BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand the Senate went into Committee on Bill 119, an Act to amend the Excise Act.

Hon. Mr. Beaubien in the Chair.

On section 1—"vessel"; "vehicle":

Hon. Mr. WILLOUGHBY: We passed rapidly over this Bill at the second reading, but I was going to suggest a proposition for the Government to consider. Here is a Bill with many amendments, five or six, indicated in the margin, and we have many other Acts in which there are a large number of amendments shown in the same way. It is difficult for anybody but a lawyer who has the statute books at hand to trace these amendments, and the ordinary layman has not access to those books. Even a lawyer would be put to a great deal of trouble to find the references.

I do not know any reason why we should not in Parliament here revise and bring up to date for the very great convenience of the public, important Acts which have been frequently amended. This can be done, and it has been in many places. I know it has been done in the Province of Saskatchewan. There are certain Acts, like the Municipal Act, which are subject to annual change. Every new man who gets into the Legislature thinks he can improve the Municipal Act.

Hon. Mr. BELCOURT: That tendency is not confined to Saskatchewan.

Hon. Mr. WILLOUGHBY: No; I fear it is universal. But what the Legislature of that province has done is to bring many public Acts of that kind up to date by codifying them. The codification is a great convenience. I am not suggesting a mere consolidation of Acts for the use of departmental officials. When the ten-year revision comes in, of course, the statutes will be brought up to date. My suggestion would not apply to a very large number, but it would apply to those Acts that are being constantly amended and are subjects of trouble and inconvenience when reference to them is necessary.

I believe this suggestion to be wholly feasible, for the plan has been carried out in the Province of Saskatchewan, and in other places as well.

Hon. Mr. DANDURAND: Would the honourable gentleman inform us whether, in the annual volume of statutes, the whole Act as amended is reproduced? Is that what is done every year in the printing of the statutes?

Hon. Mr. WILLOUGHBY: No, that is not done every year.

Hon. Mr. DANDURAND: When they are printed?

Hon. Mr. WILLOUGHBY: Take the Excise Act as an example: we would have that Act brought up to date, and this would be a very great convenience.

Hon. Mr. DANDURAND: In the statutes?

Hon. Mr. WILLOUGHBY: In the statutes.

Hon. Mr. DANDURAND: I notice that the various Departments, for their own convenience and that of their officers keep the Acts up to date by incorporating the amendments.

Hon. Mr. WILLOUGHBY: Those are office conveniences.

Hon. Mr. DANDURAND: I find the plan very useful when I have to refer to some amendment, and the honourable gentleman is right in believing that the public would find it as convenient.

Hon. Mr. WILLOUGHBY: Yes, but that office consolidation of which I speak is only for office purposes; it does not reach the general public at all.

Hon. Mr. DANDURAND: The plan may involve not only considerable trouble, but a greatly increased number of pages in our statutes, and some of them are already quite heavy; yet from the point of view of the convenience of the public I should think there is very much virtue in the honourable gentleman's suggestion.

Hon. W. B. ROSS: I would like to ask if there is not a Committee at work now on the revision of the statutes.

Hon. Mr. CASGRAIN: Yes; Sir Charles Fitzpatrick is Chairman.

Hon. W. B. ROSS: Why should not that Committee revise the Excise Act and bring it right up to date?

Hon. Mr. DANDURAND: But the honourable gentleman from Moose Jaw (Hon. Mr. Willoughby) goes further. A ten-year period is covered from one revision to the other, but the honourable gentleman suggests that when there are important amendments to a public Act it should be reproduced, with the amendments, in the statutes of that year.

Hon. W. B. ROSS: Yes, but if we took in the whole Excise Act we would include all the amendments of the last ten years, and bring it right up to date. Then I suppose it would be a question whether it would be worth while to re-enact the Excise Act every year, depending on how many amendments there were. If we had only one or two small amendments it would not be necessary, but if we had a partial reconstruction of the Act, as we have here, it would be better to reprint the whole Act and then print it as amended.

Right Hon. Sir GEORGE E. FOSTER: From a question and answer in the other House I understand that the Committee on revision of the statutes is still at work. The answer of the Minister was that the present Session's legislation would be included in that revision, and that the Committee on revision had been instructed accordingly.

Hon. Mr. WILLOUGHBY: That would also deal with the future, of course.

Hon. Mr. BEIQUE: But the suggestion goes further, and it is one that should be acted upon at every Session of Parliament. I understand the suggestion is that whenever an Act is to be changed it should be re-enacted instead of being amended merely in part. Of course it would be going too far to apply that principle, for instance, to the Railway Act, or the Banking Act, or the Companies Act, which are very bulky. I think the honourable gentleman would not suggest that small amendments should involve the printing of the whole Act; but the suggestion should be kept in mind when an Act is not voluminous. It would be a great convenience to have the complete Act, with the amendments incorporated.

Hon. Mr. WILLOUGHBY: I did not suggest that an Act should be printed as amended every year. We would leave the matter of reprinting to the discretion of the officer. When an Act is amended frequently, or when, with its amendments, it has become troublesome or cumbersome, even if it should be a lengthy Act, there is a great advantage in having it reprinted. I know the method has been found very convenient where it is in force.

Section 1 was agreed to.

Sections 2 to 10 inclusive were agreed to.

On section 11—offence and how punishable: certificate of analysis of departmental or provincial analyst to be evidence:

Hon. W. B. ROSS: Those are pretty drastic changes.

Hon. Mr. DANDURAND: The penalty was $500, and is increased to $2,000.

Hon. W. B. ROSS: It is a pretty drastic change.

Right Hon. Sir GEORGE E. FOSTER: It has to be drastic if you are going to have an Act like this carried out.

Hon. W. B. ROSS: Those certificates were taken only as prima facie evidence before; now they seem to be made conclusive evidence. However, nobody seems to be objecting. We made a change the other day in the wording of an Act from simply "evidence" to "prima facie evidence."

Hon. Mr. DANDURAND: These penalties are increased because they are required in order to provide reasonable security as against large illicit distilleries.

Hon. W. B. ROSS: That is a big fine. That is all right, and we have passed that. The question now is whether the certificate of an analyst should be taken as final evidence, or simply as prima facie evidence.

Hon. Mr. DANDURAND: But it is not taken as final evidence, as I interpret this clause. It relates to the certificate being taken without the production of the witness himself. The certificate is to take the place of the analyst's own evidence, but it does not stand as better evidence than if he himself appeared as a witness in the case.

Hon. W. B. ROSS: But look at the clause that is being amended or struck out. Subsection 3 of section 180 now reads as follows:

In every prosecution under this Act the certificate of analysis of a departmental analyst or of a provincial analyst shall be accepted as prima facie evidence of the alcoholic content of any beer, wash or sprits...

What I do not understand is why there should be a departure from the language of the section that is struck out—a change from "prima facie evidence" to "evidence."

Hon. Mr. BELCOURT: The other night, in regard to a clause very similar to this, we inserted the words, "prima facie." I suggest that those words should be put into this clause. I thoroughly agree with my honourable friend that in this case the same words should be interpolated.

Hon. W. B. ROSS: If it means what the honourable leader says, there can be no question of argument about putting in the words "prima facie."

Hon. Mr. DANDURAND: I would rather that the clause be suspended, so that I may consult the Department before accepting the amendment.

Hon. Mr. BELCOURT: The danger in these cases is that an ordinary magistrate reading this subsection as it is printed here would accept the certificate as final and complete evidence, and not allow cross-examination even if the analyst were produced.

Hon. W. B. ROSS: Yes; and it is worse than that. You could point out to a magistrate that we struck out the words "prima facie" in the old Act and substituted something, and that it was not done for nothing; it was done to make the evidence conclusive.

Hon. Mr. BELCOURT: Exactly.

Hon. Mr. BEIQUE: Also the fact that in certain statutes the words "prima facie evidence" are used, and in other cases they are not, and there is a difference in interpretation.

Section 11 stands.

On section 12, new section 185—Penalties for sale of spirits unlawfully manufactured:

Hon. W. B. ROSS: That is a section that I think we ought to study pretty carefully. There is a part of it which, so far as I am concerned, is quite unexceptionable. It mentions "every person who sells or offers for sale," and so on. If such a person is dealt with under the Act, I have no objection to that. Then the clause reads:

—or who purchases, or has in his possession any spirits unlawfully manufactured or imported, whether the owner thereof or not, without lawful excuse, the proof of which shall be on the person accused, is guilty of an indictable offence.

Well, a man may buy spirits that have been unlawfully imported or unlawfully manufactured—

Hon. Mr. STANFIELD: Or a bottle may be given him.

Hon. Mr. ROSS: —or, as my honourable friend says, a bottle may be given him, and he becomes subject to this frightful penalty of $2,000, when as a matter of fact he may be really innocent. I have been told of one case, and I believe there are others, in which this occurs. Say A and B have a quarrel. B gets a case of whisky or gin, or some other kind of alcohol, and deposits it in an outhouse belonging to A, and then informs the Excise authorities that if they go to this place they will find liquor there. They go, and this poor wretch is put on trial and is held guilty. This clause could be used as a great instrument of tyranny and it opens up a wide field, I think, for blackmail and a great deal of injustice. To the rest of the section I do not object. A man who brings in spirits or manufactures or sells them without authority knows where he is and must take what he gets.

Hon. Mr. WILLOUGHBY: Is there any definition of the word "spirits" in the Act? The word is mentioned in that section.

Hon. Mr. ROSS: There must be.

Hon. Mr. WILLOUGHBY: I should assume there is, but it is difficult to determine when we have only a portion of the Act.

Hon. Mr. DANDURAND: I take it for granted that the word "spirits" is defined in the interpretation clause.

Hon. Mr. BELCOURT: I rise merely to point to an illustration of the argument made by my honourable friend (Hon. W. B. Ross) just now. Take the case of stolen goods. If I remember rightly, the Code requires knowledge on the part of one who deals in stolen goods. At the time he sells or bargains in these stolen goods he must know that they have been stolen. Applying the same reasoning to this case, I think there is similar necessity for providing a clause such as my honourable friend suggests.

Hon. Mr. McMEANS: In remote districts of this country a certain quantity of liquor is manufactured, and there is neighbourly intercourse. One neighbour may visit another and give him a portion of some whisky that may be called home-brew, and the penalty now pro-

posed for an offence of that kind is, I think, simply outrageous. I cannot conceive of any person asking for such a thing. "Every person who has in his possession any spirits unlawfully manufactured" is liable to the penalty. How is a person to tell whether the spirits were manufactured unlawfully or not? You may be out in some part of the country and somebody may give you, say, half a pint of liquor, and you may take that home. The penalty for that is so great that it does not seem to be based on any administration of law that I have ever known of. Even if a person purchased the spirits that he has in his posession, the penalty is excessive. How many thousands of persons in this country are unlawfully manufacturing, in their own homes, wines and beverages of that kind? Where is this going to lead? The penalty is just the same as in the case of the commission of some heinous offence. I do not know of any penalty that is more severe than what is now proposed simply for having in your possession a small quantity of liquor that may have been illegally manufactured. I am not here to take up the cudgels on behalf of the people who are dealing in spirits that have been unlawfully manufactured. I think the severest penalties should be imposed upon those who make a business of it, or who profit by it. Let them be punished, certainly, but do not pass a Bill that would place an innocent man in such a position that he is subject to a penalty like this. I am going to move, Mr. Chairman, that this clause be struck out and the Act remain as it is.

Hon. Mr. DANDURAND: My honourable friend has not to apply the Act. He does not encounter daily the difficulties with which the officers of the Department have to cope. Now, what is law at present on the Statute Book? It says:

> Every person who sells or offers for sale, or who purchases any spirits, or has any spirits in his possession, knowing them to have been unlawfully manufactured, or imported, shall for a first offence incur a penalty not exceeding five hundred dollars and not less than two hundred dollars, and for each subsequent offence a penalty of five hundred dollars; and all spirits so unlawfully manufactured or imported wheresoever they are found, and all horses and vehicles and other appliances which have been or are being used for the purpose of removing the same, shall be forfeited to the Crown, and shall be dealt with accordingly."
>
> The words in italics above are struck out and the words underlined in the new section are substituted therefor.
>
> The alterations will bring this section into line with section 180 of the Act. The word "knowing" is dropped from the section and the words "whether the owner or not, without lawful excuse, the proof of which shall be on the person accused" are substituted. These substituted words it is believed will afford ample protection to the accused without offering the same opportunity of escape as is provided by the word "knowing."

Now we are dealing with the manufacture and sale of spirits unlawfully manufactured.

Hon. Mr. McMEANS: Why are the words "knowing them to have been" left out?

Hon. Mr. DANDURAND: The reason is that it is very difficult for the prosecution to establish the fact of that knowledge. Now, what is the amendment? The new section reads:

> Every person who sells or offers for sale, or who purchases, or has in his possession any spirits unlawfully manufactured or imported, whether the owners thereof or not, without lawful excuse, the proof of which shall be on the person accused, is guilty of an indictable offense.

The onus will be upon the person who is found with those goods in his possession, and he will have to explain how they come to be there. I do not believe that this section is to be applied to one who is found in possession of a pint of whiskey. We are dealing with the sale of unlawfully manufactured spirits, and it seems to me that the accused should not find it very difficult to justify himself under this clause. He is bound to justify himself, however, and, as the penalty is increased from $500 to $2,000, it should act as a deterrant to those who venture on the illegal manufacture of spirits. Within the last month two large stills, apparently manufacturing for general consumption, were found, one in the city of Montreal and the other, I think, in the province of Ontario. It seems to me that we must stiffen the law, and I see no harm in the proposal before us.

Hon. W. B. ROSS: I would suggest to the honourable gentleman that he break section 185 into two sections, the first dealing with the person who sells or offers for sale, and imposing a penalty of $2,000, as it is in the Bill, and the other dealing with the man who happens to have liquor in his possession.

Hon. Mr. BELCOURT: Or the purchaser.

Hon. W. B. ROSS: Yes; the man who buys, or who has in his possession. That man is on an entirely different footing from the man who sets up machinery for the manufacture of alcohol. In some sections of the country you have virtually a reign of terror under the law as it stands.

Hon. Mr. DANDURAND: What does my honourable friend say as to the man who is carrying on the wholesale distribution of those spirits?

Hon. W. B. ROSS: I would go after him

Hon. Mr. DANDURAND: He would be a purchaser, not a manufacturer.

Hon. Mr. WILLOUGHBY: He is a dealer.

Hon. W. B. ROSS: Yes, that man would be dealing.

Right Hon. Mr. GRAHAM: He would have it in his possession at least.

Hon. W. B. ROSS: It is all very well to provide for the enforcement of the law, but we have to be careful that we do not go too far and do more injustice than good. It reminds me of the man who wanted to kill the rats, and set fire to his barn—a rather costly way of getting rid of the rats. I think that this is rather extreme legislation, and that every demand can be satisfied by breaking up this section and treating these classes of persons on a different footing.

Hon. Mr. BEIQUE: I would suggest an addition somewhat to this effect: "Provided that if the accused is not a dealer in spirits the indictment shall be authorized by the Attorney General." That would close the door to blackmail and to prosecutions for trifling offences.

Hon. Mr. DANDURAND: If it is proper to draw a line between the dealer and the ordinary consumer, would not the honourable gentleman make the penalty less for the man who is not a dealer?

Hon. Mr. BEIQUE: I think the best remedy is to demand the authorization of the Attorney General; then persons whom it is not really intended to reach by the Act would not be prosecuted.

Hon. W. B. ROSS: May I put this case? Take a fisherman on the Atlantic coast who is found with a pint of old Jamaica rum in his house. Is not a fine of $2,000 a frightful penalty to impose on that man?

Hon. Mr. SHARPE: And imprisonment.

Hon. W. B. ROSS: Leaving imprisonment out of the question altogether. He is not worth $500.

Hon. Mr. McMEANS: I quite agree with a good deal that the honourable leader (Hon Mr. Dandurand) has said, but I recall a case in which a man was found with a pint of whiskey and was hailed before a court. Under this clause, even if he were innocent as a child, he would be liable to a very stiff penalty. All I want to guard against is such a case as that. An innocent man in some remote district in the West may have a bottle of spirits that some neighbour has taken to him, and someone who has some grudge against him may inform on him, and he may be liable to long imprisonment and a very heavy fine. Already there have been cases of that kind. Surely we cannot afford to pass legislation that will put the people of this country in such a position.

Hon. W. B. ROSS: It is so much the worse now in that you are extending the jurisdiction of justices of the peace. In country districts where there may be local quarrels or local prejudices, a man who wants to injure another can deposit some alcohol in an outhouse belonging to that other man and inform on him, and he will be brought before a justice of the peace and fined $2,000. It is worse than Turkey or Russia.

Hon. Mr. BELCOURT: It is absolutely contrary to the spirit which has dominated the criminal legislation of England and of this country. One principle of English law that I am always sorry to see departed from in any way is that a man is innocent until he is proven guilty. That principle has stood the test of time. Now you are implying that the man is guilty whether he knows or whether he does not know that the liquor in his possession is unlawfully manufactured or imported. Such a presumption is absolutely subversive of, and goes to the very root of English criminal law. I do not know why we should break down a safeguard and destroy a right that has always been granted to the subject in all British countries, in order to impose a few fines or make sure of a few penalties, or to prevent some people from manufacturing or drinking good whiskey. It seems to me that the remedy is far worse than the disease.

Hon. Mr. BEIQUE: I think the honourable gentleman will find that the principle of this clause has already been adopted in a number of different Acts, and has been acted on for many years.

Hon. Mr. BELCOURT: That makes it all the worse.

Hon. Mr. DANDURAND: My honourable friend will not argue that we cannot vary the general principle. It has been varied, and necessarily so. Under the criminal law, there are numerous cases in which the accused must justify his action. Otherwise it would be impossible to establish his guilt. He is guilty of the fact—the simple fact of having in his possession—and he must explain that fact. A man having spurious bank notes in his possession must explain and justify his posession of them.

Hon. Mr. BELCOURT: They are spurious on their face, and he knows that when he takes them.

Hon. Mr. DANDURAND: There are such cases in the law. However, I do not intend to press the clause just now; I will reserve it, and will submit the remarks of the honourable members of the Senate to the Department to see if it is not possible to meet some of the objections that have been voiced.

Section 12 stands.

Section 13 was agreed to.

Hon. Mr. BEIQUE: I would like to revert to section 1, and call attention to the advisability of adding the word "aeroplane" to paragraph (l). This has just now been suggested to me. An aeroplane is a vehicle.

Hon. Mr. BELCOURT: The section says: "or other conveyance of what kind soever."

Hon. Mr. DANDURAND: My honourable friend need not move his amendment. I will see whether it is not covered by the definition of the term "vehicle".

Hon. W. B. ROSS: Before we drop this matter, I would like to urge again upon the honourable gentleman the suggestion that I have made to him of dividing section 185 into two parts.

Hon. Mr. DANDURAND: I have taken a note of that.

Hon. W. B. ROSS: You will find then that it is easier to deal with, because you can get what you want with regard to the men who are selling and offering for sale.

Hon. Mr. DANDURAND: But there may be need for a still further division.

Hon. W. B. ROSS: Probably so.

Right Hon. Sir GEORGE E. FOSTER: The honourable gentleman from de Salaberry (Hon. Mr. Beique) proposes a certain amendment. I suggest to him that he put his amendment in shape so that it may go on record and we may have an opportunity of seeing it.

Hon. Mr. BEIQUE: My intention was merely to call the attention of the honourable leader of the Government (Hon. Mr. Dandurand) to the advisability of requiring the authorization of the Attorney General to cover the cases which have been mentioned. Such a requirement would be a guarantee that the prosecutions would be confined to cases which really should be dealt with under the criminal law.

Right Hon. Sir GEORGE E. FOSTER: I also would like to suggest to the honourable gentleman who has charge of this Bill (Hon. Mr. Dandurand) that when we take up these sections again he should be prepared with the specific reasons why this legislation has been put before us in its present shape. It is quite possible for us to run away from what is an actual necessity; it is possible that our extreme observation of the rights of the individual may incline us to open the door to great abuses. I would like to know very clearly what was in the minds of the people who have to carry out the law, and who have instances of infractions before them every hour of the day and every day of the year. We have passed through a period of deep research and reflection in these matters during the past year or so. The contempt in which the law has been held is an absolute scandal throughout the country, and in many respects we have not improved our reputation as a law-abiding people.

Those who make the laws and carry them out, and those who simply have the duty of criticizing them, look upon them from very different standpoints. I am disposed to think that the law we have upon our Statute book should be observed and that suppositious cases of some terrible injustice that may be done to a lone fisherman on the Atlantic coast who happens to have a half a pint of whiskey in his possession should not blind us entirely to national necessities in respect to the carrying out of the law. We have judges, juries and magistrates. They are not all set against every man who comes before them under an accusation. The judge himself is in large measure a protector of the innocent person, and the jury is the same; and I do not see any particular difficulty in any man giving a lawful and valid excuse why he has an unlawful thing in his possession. He has no business with it, in the first place. If it is thrust upon him with a lie, or an imposition, and in good faith he thinks he is doing nothing more than engaging in an honest act, he would get a chance, between the judge and the jury, to give his lawful excuse in ninety-nine out of a hundred prosecutions, I think.

On the other hand, there is such facility for a prime mover in an illegal act to get himself under the screen of a third person in these cases that it is very well to have third persons fully apprised that it is their duty to see that they are in a proper position in respect to the carrying out of our laws. The bootlegger and the man who for gain—and it it all for gain—becomes a lawless manufacturer or importer should not have any

opportunity for fences, and shelters, and all that kind of thing whereby he shields himself and makes his own profit. The general citizen should feel that he must be on his guard as well, and I have not much faith in the extreme lack of knowledge and of intelligence, and the extreme simplicity, which lead the average citizen to engage indifferently in these things. Our people have sense and intelligence enough to know whether they are close up against a dishonest thing or an honest thing, and if they have not that intelligence, they might well be reminded by good stiff penalties that there is something of a duty for which they are responsible in regard to the carrying out of the laws of our country.

I want to see, from my honourable friend's presentation, when we come to this subject, just what the cases are. I am quite certain that actual cases before courts, and in the process of carrying out these particular laws, can be found, which would make us think in a very responsible way as to how far we should take the teeth out of a law of this kind.

Hon. W. B. ROSS: Honourable gentlemen, I want to say just one word to the right honourable gentleman who has just spoken. If he wants to bring this law into disrepute he will do all he can to impose a penalty of $2,000 and 12 months' imprisonment upon a man—whether he is learned or ignorant does not make any difference—who happens to have a pint of whiskey in his possession and is unable to satisfy a couple of magistrates or a judge that he is entirely innocent as to knowing where that liquor was imported or manufactured. To my mind, the penalty is so much out of proportion that if there is an attempt to put this penalty into force the Act will be brought into disrepute. There ought to be some sense of proportion in it.

Progress was reported.

CANADA'S RAILWAY PROBLEMS

DISCUSSION CONTINUED

The Senate resumed from March 17 the debate on the inquiry of Hon. Mr. Robertson:

That he will call the attention of the Government to certain matters affecting Canada's transportation activities and problems; will inquire of the Government whether or not it has any definite policy in relation thereto, and if so, will ask that it be publicly declared.

Hon. W. B. ROSS: Honourable gentlemen, the reason why I am speaking at all on this matter is that I want to ask the Government a question which would not be intelligible without a little explanation, and I did not want to interrupt either the honourable member for Welland (Hon. Mr. Robertson) or the honourable member who spoke last on this question (Hon. Mr. Beaubien).

Some two years ago I asked here for a return based on the payroll of the Atlantic Division. I got that, and it is still available for any member of this House; but I am bound to say that I was no wiser after I received it than I was before; not that there is anything the matter with the return, which was probably all right, but simply because of my incapacity to interpret it.

When I look at the rules or regulations with regard to the pay of those men I find that it is necessary to make a mathematical calculation in order to find what pay a man will get for a day's work upon the Canadian National Railways. His pay will depend upon how many hours he works, and how many miles he goes, and whether he is getting ordinary pay or getting overtime, that is, pay and a half, for part of his time. In the case of some men the pay will depend upon what class of engine they are on. Sometimes it depends on whether a man is working in the yard, or out of the yard; whether he goes on a long run or a short run, with a turn about. Sometimes, so far as I could read the return, it is possible for a man who has gone 25 miles and come back, to call it a day, and I think it is in the power of the authorities to work the man, if there is work, for his hundred miles, or the equivalent of eight hours.

I do not think that the average man who is not a railway man would understand the matter any better than I did. I tried my best to master the situation, but I came to the conclusion that it would help me, and also help the average man of this country, for the Government or the railway people to give us the names or numbers of a thousand men on each of the divisions, and along with those names or numbers give us in dollars and cents the amount that each of those men got, say, for the year 1926 or 1925. If it turned out that a man had a gross earning of $1,800 because he had worked for a year under these complicated criss-cross rules, we could analyse the result, and with the aid of an accountant, taking the $1,800 as a basis, we could find how many hours he worked, and how much of his time was at ordinary pay, how much was at pay and a half, and what other qualifications there were in the case. In that way, I think, we could get a pretty reasonable and accurate notion of what the railway men are paid.

I said before, and I repeat, that I regard the railway men as picked men, and a large number of them as experts, and not on the footing of ordinary labour at all. It takes

an engineer or a driver of ten or fifteen years' training before he is able to take out one of those big engines. Firemen, station masters and train dispatchers also need training. There is a certain amount of labour that is no better than ordinary labour, such as the right-of-way men, and others that I need not mention.

Hon. Mr. CASGRAIN: Section men.

Hon. W. B. ROSS: But there is more than one story abroad in this country, and there is an impression, to the effect that there are men in the railways who are getting inordinately large earnings, and if we are going to have anything like a general understanding between the public and the railway men the condition precedent is that we should know the facts. I do not know why we cannot have a complete disclosure of the earnings of the men. I have never heard any sufficient reason why we could not, beginning at the top and coming right down, learn what any man's earnings are for the whole year. The earnings of the entire Civil Service, judges, members of Parliament, and practically everyone else, are laid bare when required. Why should not the railway men be in the same case?

I have entered into this discussion simply to say that, speaking for myself—and I think I represent some others—I am in the dark about this situation, and I want light. I wish to ask the honourable gentleman who represents the Government here if he cannot see his way clear to throw open to a Committee of this House, for a complete disclosure, the pay-rolls or books relating to railway employees. Let us select a number of men from each of the divisions and ascertain their gross earnings, and then by means of a Committee, or in some other way, analyze those figures and find what the situation really is.

I do not grudge the railway men what they get. I think they have to be well paid, for it is not every man who can stand service on a railway. I remember the case of a young man whom I met on a train a year ago. I asked him where the railway men break down, and he replied: "Well, I know where I break down; I am 21, and though I have nothing else to do, I am ordered off the railway by my doctor, who says I shall be dead in six months if I stay on this work." If there is anything wrong with a man in relation to his kndneys or heart he cannot be a railway man. Take one of those men who goes out in a gale of perhaps forty miles an hour, with the thermometer at 40 degrees below zero; unless he is a pretty strong piece of humanity he cannot stand the strain at all. I am not grudging anything to the men, or making any complaint, but the stories that are going abroad ought to be allayed, and the only way I can see of having this done is to get the figures as I have suggested, and analyze them. Men who are familiar with railway matters can read these railway figures as an ordinary man reads the multiplication table, but that plan does not do for me, and I do not think I am much worse in that respect than many others.

Hon. Mr. ROBERTSON: Honourable gentlemen, if there are no other members who desire to discuss this matter, I would like to be permitted to move the adjournment of the debate, and at the first convenient time I would be glad to put on the record considerable information such as my honourable friend the leader on this side of the House (Hon. W. B. Ross) asks for, because it is available and is now a matter of record.

If there is any confusion existing in the minds of honourable gentlemen as to the facts with reference to railway wages, I can furnish some further information that would be useful and perfectly proper, and that everybody should have, because there is nothing to hide in the matter, so far as I am concerned. Incidentally I should hope to make one or two remarks in reply to my friend from Montarville (Hon. Mr. Beaubien), who with such eloquence set forth his views the other day.

The Hon. the SPEAKER: I would point out to the honourable gentleman that he has no privilege of moving the adjournment, and he ought to get some other member of the House to move it. This is not a motion; it is merely one of the questions.

Hon. Mr. STANFIELD: I move the adjournment of the debate.

The motion was agreed to.

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

THE SENATE

Wednesday, March 23, 1927.

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

Prayers and routine proceedings.

RIDEAU CANAL BASIN

INQUIRY

Hon. Mr. ROBERTSON inquired of the Government:

1. Is the Government aware that the Department of Railways and Canals is preparing and proceeding to remove the docks and turning basin from the present location in the Rideau

Canal to a point near the foot of Waverley street alongside the present public Driveway, which has been constructed out of public moneys at large expense to beautify Canada's capital city?

2. Has the new location been selected and decided upon with the knowledge and consent of the Ottawa Improvement Commission?

3. Has the Council or Board of Control for the City of Ottawa been consulted and has the City's approval been obtained?

4. Has the Ottawa Board of Trade been consulted and has it approved this new site as the best location for new docks?

5. Has it not been brought to the Government or the Department's attention that these docks should be located on the Ottawa River, thus avoiding the locking of many boats in and out of the canal, and at the same time preserving the beauty of the public driveway?

6. When it was decided to remove present docks and turning basin in order to extend the Driveway past the present location, by what reasoning does it transfer these docks to a point on the beautiful driveway already constructed?

Hon. Mr. DANDURAND: I have an answer for the honourable gentleman. It is difficult to answer the questions seriatim, and I have a general answer which covers all the questions.

The Government is aware that the Department of Railways and Canals is constructing a retaining wall, and the Department of Public Works has appropriated $25,000 for the construction of a wharf, not near the foot of Waverley street, as stated in the foregoing inquiry, but on the opposite bank of the Rideau Canal, along Echo Drive, for the purpose, eventually, of transferring to that location the dockage facilities which have for many years existed between the Plaza and Laurier Bridge, and which it is intended to remove in order to make way for the extension of the canal driveway. The Ottawa Improvement Commission is aware of the proposed location of the new wharf and dockage facilities and has made no objection.

The City Council of Ottawa or the Ottawa Board of Trade have not been consulted, but representations were made by a large number of merchants and business men of Ottawa that, as the value of the merchandise handled at the present docks totalled over $7,000,000 annually, the existing docks ought not to be abolished until similar facilities were provided in some locality convenient to those business interests. Subsequently, the Echo Drive site was chosen as the more advantageous from all points of view.

One delegation waited on the Department of Railways and Canals, asking that the new docks be located on the Ottawa River. The delegation was referred to the Public Works Department, whose engineers after due consideration recommended the establishment of the wharf at the Echo Drive location.

The proposed new docks are not to be located at a point "on the beautiful driveway already constructed" as intimated by Senator Robertson's concluding question; but, as already stated, on the opposite bank of the canal.

Hon. Mr. ROBERTSON: I assume that it is not in order to discuss this matter, but I would like my honourable friend to make some further inquiry, because information which I have, and a document forwarded to the Minister of Railways, of which I have seen a copy, indicates that when the present driveway was built on the west side of the canal from Waverley street down to the subway, a number of property owners donated land for that purpose on the distinct understanding and agreement with the Government that it was for the beautification of the city, and therefore was beneficial to the owners of adjacent property. They hold, according to the communication that I have seen, that this action of the Government in placing docks on that very canal, even though they may be on the other bank, is not in keeping with but is in violation of that very undertaking, and they feel that therefore they are suffering damage. I would suggest to my honourable friend that he look into that feature promptly.

Hon. Mr. DANDURAND: As the matter has been dealt with, apparently, by two Departments, I will draw it to the attention of the two ministers.

Hon. Mr. ROBERTSON: I presume that any further representations should be made to the Department of Public Works, and that the Department of Railways is building only the retaining wall.

Hon. Mr. DANDURAND: Yes, I draw that conclusion.

Hon. Mr. ROBERTSON: Thank you.

LIBERAL POLICY OF SENATE REFORM

INQUIRY

Hon. C. E. TANNER rose in accordance with the following notice:

That he will inquire of the Government and call attention to—

(a) Is the policy of the Liberal party on the question of Senate Reform referred to in the answers to inquiries made on behalf of the Government in this honourable House on March 10th instant in substance and effect the same Senate Reform policy which was adopted and promulgated by a Dominion convention of the Liberal party that was held at Ottawa in 1893, which Senate Reform policy of 1893 was expressed in these words:

"The present constitution of the Senate is inconsistent with the federal principle in our

system of Government, and is in other respects defective, as it makes the Senate independent of the people and uncontrolled by the public opinion of the country, and should be so amended as to bring it into harmony with the principles of popular Government."

(b) If the aforementioned Senate Reform policies are not the same in substance and effect in what respects and to what extent do they differ from one another?

He said: Honourable gentlemen, when I gave notice of the inquiry which is on the Order Paper for to-day, that I would call attention to certain matters, I was unfortunately unable to be present on the 10th of the month when the honourable Leader of the House made a reply to some previous questions. However, I have no intention whatever of making a speech on this rather hoary subject of Senate reform; what I have to say will be brief and more in the nature of what may be termed a few remarks.

I want to point out, honourable gentlemen, that there appears to be considerable mystery not only in regard to what Senate reform means, but also in regard to the pledges or assurances, or whatever one may call them, which honourable members of this House are supposed to have given to the Prime Minister before or at the time of their appointment as members of this Chamber. I observe that in the answers that were brought down on the 10th of the month it is stated that the objective is to bring this chamber nearer to the modern and democratic conception of a second Chamber.

On that point I have only to say that from my observation there is nothing more indefinite in this world than the discussions which are from time to time carried on in regard to what is called democracy. I think perhaps we might hope for a little clearer explanation from my honourable friend of what democracy means, and what it is intended to mean in this connection. I do not know whether this democracy means all that is expressed in another place. I observed the other day that a number of honourable members of this House, some of whom have recently come into this Chamber, were held up to the public gaze, not for the purpose of being admired, but rather for the purpose of being reprobated; and the only ground that I could detect for so dealing with them was that they had been diligent in business, that they had succeeded in business, that they had displayed sagacity and industry, and had become leaders of industries and corporations which carry on large business in the country and help to build up the nation's strength. That was the only allegation made in regard to members of this House. Long lists were read showing the many business activities in which those honourable members had been engaged, and the inference that it was sought to impress upon the public mind was, I presume, that men who so engaged in business, and who so succeeded in their undertakings, and who do so much to promote the material welfare of this country, become, the moment they cross the threshold of this House, not good citizens of Canada, but irresponsibles—that is the word that we used, irresponsibles—that they are no longer to be trusted by the people of this country. I presume it was intended that they should be put in contrast with the man who is commonly spoken of as a soap-box orator; a man whose whole undertakings and whole possessions may be packed in a suitcase, but who, if he is fortunate enough to obtain a few votes, for a passing period of two or three or four or five years becomes qualified to sit in another place, becomes a responsible citizen, while honourable members of this House must be classed with the irresponsibles. That, as I say, was the only reason I could see given for the picture painted of the honourable members of this House. If that is democracy, I want to submit that this country does not want much more of it than it already has, and that the best quality of democracy is that which is represented by honourable gentlemen who sit in this Chamber.

Honourable gentlemen may have observed that there is also a certain indefiniteness in regard to the explanations given as to what honourable members appointed since 1921 have undertaken—what pledges they have given. I am not going to ask honourable members who have given assurances to say very much on that subject, because I am convinced in my own mind that they have not given any assurances which mean that this Chamber or its ancient rights and privileges are in the slightest degree imperilled or to be imperilled.

Now, we have been asked to look at the official utterances of the Prime Minister in 1925 and 1926, and for that purpose I looked up some of the leading newspapers and discovered the important utterance made by that honourable gentleman at Richmond Hill in 1925. In that report I saw a very striking statement. While the Prime Minister was expounding his views in regard to Senate reform and was portraying to the large audience of people who listened to him the great difficulties he had in dealing with this very obstinate Chamber, he was interrupted by a fervent supporter, I presume, who called out, "Throw them out." Now, I do not know whether it is really the policy, or whether

it is involved in the policy of Senate reform, that we are to have a Cromwellian episode, when the Prime Minister will come in and order us all to begone, or whether he will come, assisted by some supporters of his of the character of the gentleman at Richmond Hill who called out that honourable members should be thrown out.

I observed, however, that the Prime Minister was not quite in sympathy with so drastic a measure. I am not going to weary the House with reading a lengthy extract, but will content myself with saying that he went on to explain that it is more necessary to have reform from within than reform from without. He was drawing a distinction between what a conference of the Prime Ministers or Governments of the Provinces might do in this respect, and what might be done by bringing into this Chamber honourable members who would be in sympathy with whatever policy of Senate reform the Government chose to submit. So, he apparently adopted reform from within as the fundamental of his policy.

In that connection I observe that he made the very distinct statement that he would undertake to say that no further appointment would be made by the present Government to the Senate except upon the distinct understanding that the appointee would give wholehearted advocacy and support to any measure of Senate reform the Government as a part of Government policy may ask both Houses of Parliament to adopt.

That brings us back, honourable gentlemen, to practically the point where I started. What is Senate reform? What is that policy of Senate reform? What does it mean? Does it mean the same policy which was submitted to the great convention of the Liberal Party which was held in this city in 1893, and adopted by that convention? I feel that if it is—and my honourable friend will tell us if I am right or wrong—that if it is the same policy that was then promulgated, that if it has the same fundamentals and the same objectives, any honourable member of this House would be perfectly safe in giving an undertaking. I feel that not only honourable members who have come in during the past five years would be perfectly safe in giving any kind of undertaking in regard to that policy, but that any honourable member on this side of the House would have a perfectly free conscience in giving a similar undertaking. I say that because events have proved, and proved conclusively, I think, that back in 1893, and during the thirty odd years that have gone by since, there was only one purpose in mind, and that purpose was stated again by the Prime Minister at Richmond Hill when he thanked Providence for the good work it had done since 1921; that is to say, that Providence had been kind in removing Conservative Senators; that Providence had been kind in making way for Liberal Senators; and that every time the bell tolled for the death of a member on this side of the House the honourable the Prime Minister smiled and said, "Providence is good; Providence is kind. It has removed an enemy, and I will be able to put a friend in the place that is vacant." That seems to have been the policy since 1893. "In this great and good work," said the Prime Minister, "Providence has been aiding the Liberal Party." Then he went on to give figures to show how there had been an actual shift from time to time, until he felt in his heart, no doubt, the time would come if he lived long enough and remained in power a sufficient length of time—perhaps five years, perhaps less—there would be a sufficient number of us, no matter how healthy and hearty we might appear to be, who would be called hence, and he would be able, with a majority at his back, to bless himself and say: "Thank God! At last the Senate is reformed." It is a sort of gruesome way of looking at this subject, honourable gentlemen, but I think that is really what was in the mind of the honourable the Prime Minister of the country and represents his intentions and hopes in regard to Senate reform.

I have nothing more to add, except that I hope my honourable friend will tell us if this is the same thirty-year-old policy; and that he will take us into his confidence and disclose whether it is really the intention that that policy is to be fulfilled by Providence, or whether there is to be some outside interference and some outside change in regard to the constitution of this Chamber.

Hon. Mr. DANDURAND: Honourable gentlemen, I am not prepared to follow my honourable friend in his appreciation of speeches reported in newspapers. We know how deficient reporters are in reproducing the exact words of public men. I have very often noticed that the principal point which I tried to make in a speech had been completely lost sight of, and a very insignificant incident had been seized upon as being my principal point; so that my honourable friend will excuse me if I cannot follow him in the discussion which took place at Richmond Hill. I have not the text of those speeches, and I cannot vouch for them. All I had before me was the question which my honourable friend put, and which is on the Order Paper.

Of course, I noticed that he intended drawing the attention of the Senate to the matter. This was not done when he gave his notice, or when it was called; yet this gave me somewhat more leeway in answering the question, since there was an opening for a debate. But now I have heard but one voice, and finding that no one follows him, I close with the following statement.

In answer to this inquiry, I desire to state that I leave aside the preamble containing the motives given in the resolution of 1893 as presented at that Convention by the then Leader of the Liberal party in the Senate, the Hon. R. W. Scott, because I do not understand, and cannot therefore explain nor endorse, the affirmation that the present constitution of the Senate is inconsistent with the Federal principle in our system of government.

The conclusion of that resolution is that the constitution of the Senate should be so amended as to bring it into harmony with the principles of popular government. My answer to the inquiry of the honourable gentleman is that the statement I brought to this House on the 10th of March last is in substance and effect the same policy as was formulated in the said conclusion of the 1893 resolution. The mover of that resolution and the members of that Convention knew full well, as we know to-day, that any modification of the constitution bearing on the powers of the Senate had to be made with the concurrence of the provinces; hence our limitations.

The honourable gentleman will all the more easily recognize our difficulty because he himself, as a member of the Legislative Assembly of Nova Scotia, and leader of his party in that Assembly, strove in vain, during a quarter of a century, to perform that much easier task of abolishing the Upper Chamber or Legislative Council of his province. As part of the policy of the honourable gentleman, if he reached power, he was to obtain a pledge from his nominees to vote the abolition of said Council. I am assured that the then leader of the Government did likewise.

Hon. Mr. TANNER: I must correct my honourable friend in one respect. All the pledges were obtained by the Liberal Premier; I never got any.

Hon. Mr. DANDURAND: Well, of course I do not want to hold my friend responsible for reports of his official statements as leader of the Opposition which I read in the Halifax newspapers, but they seemed to be very clear that the Legislative Councillors would have to show their sincerity in the pledges that they had given, and that he would see to obtaining the means of bringing popular support to force the Legislative Council to vote its own abolition.

Hon. Mr. TANNER: One thing about the Nova Scotia pledges is that they were absolutely definite, because they were written; we knew what they were. In this case we do not know what they are.

Hon. Mr. DANDURAND: Of course my honourable friend will recognize the difficulty with which we are faced in the present instance. There are perhaps some amendments to our own constitution which would not need to be submitted to the provinces. For instance, if we were asked to concur in a resolution proposing a modification of our constitution by fixing an age limit for memberships in this Chamber, or fixing a short period for which Senators would be appointed, I believe that such amendments, which would allow of a more rapid renewal of this Chamber, and thus bring nearer the date when the Senate would be more in accord with the opinion of the public, would not need to be brought to the attention of the provinces. But when it came to dealing with the powers which are vested in the Senate, and with their limitations, I am sure that my honourable friend would not suggest that such a resolution should not be submitted to a conference with the provinces, because the Senate last year unanimously voted a resolution to that effect.

Our limitations are very clear, and that is why I say in my answer that my honourable friend will sympathize with our present situation in desiring to move in the direction of modernizing the Upper House at Ottawa.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, may I be permitted to express regret that my honourable friend had not in his speech met another question which arose in the course of his remarks. Perhaps if his attention is called to it he will be able to do so some other day. That arrangement between the present Prime Minister and Providence—was it a bilateral or a unilateral agreement? Were any conditions attached to it by the Higher Party, as to the straight and narrow path in which the second party was to tread, otherwise the Higher Party might dissolve the partnership?

Hon. Mr. DANDURAND: Well, all that I know as to the partnership of this Government with Providence is the fact that we have enjoyed good crops. As to the guardianship of the members of the Senate, I have taken a part in protecting their lives as long as pos-

sible by rapidly meeting the demand for police protection at the outside gate leading to Wellington Street, so that no harm should reach them; and, speaking for the Government, I am ready to do all that is in my power to protect the lives of the Senators on both sides of the House, and lengthen them if possible.

Hon. Mr. LYNCH-STAUNTON: There is dissention, then, in the Cabinet, is there?

Hon Mr. DANDURAND: I do not suppose so; I do not think so.

ACCOMMODATION IN THE SENATE

MOTION

Hon. Mr. DANDURAND moved:

That a select committee be appointed to consider and submit regulations governing the invitations and seating of guests in the Chamber at the opening and closing of Parliament, and the possiblity of enlarging the galleries of the Senate.

That the Committee be composed of the Honourable the Speaker and the Honourable Messieurs Beaubien, Belcourt, Hardy, Macdonell, McDougald and White (Inkerman).

He said: Honourable gentlemen, in moving this motion I desire, with the leave of the House, to add to the proposed Committee the name of the Hon. Mr. McMeans.

The motion was agreed to.

CANADIAN NATIONAL RAILWAYS BILL

FIRST READING

Bill 176, an Act to amend the Canadian National Railways Act, 1919.—Hon. Mr. Dandurand.

DIVORCE BILLS

THIRD READINGS

Bill Q5, an Act for the relief of Queenie Isobel Parks.—Hon. Mr. Willoughby.

Bill R5, an Act for the relief of Charles Shedrick Phillips.—Hon. Mr. Willoughby.

Bill S5, an Act for the relief of Lavina Harrison.—Hon. Mr. Willoughby.

Bill T5, an Act for the relief of Marretta Isobelle Grose Leach.—Hon. Mr. Willoughby.

Bill U5, an Act for the relief of Mabelle Amelia Bulmer.—Hon. Mr. Willoughby.

Bill V5, an Act for the relief of John Lauron Garfield Evans.—Hon. Mr. Willoughby.

Bill W5, an Act for the relief of Ernest Arthur Kingston.—Hon. Mr. Willoughby.

Bill X5, an Act for the relief of Norah Louise Patricia Campbell Chauvin.—Hon. Mr. Willoughby.

OLD AGE PENSIONS BILL

SECOND READING

The Senate resumed from March 16 the adjourned debate on the motion of Hon. Mr. Dandurand for the second reading of Bill 70, an Act respecting Old Age Pensions.

Hon. L. McMEANS: Honourable gentlemen, the principle of old age pensions I heartily endorse, but I am in a position somewhat similar to that of the honourable leader of the Government with regard to this Bill, inasmuch as, to say the least, I am not wildly enthusiastic over it. The reasons that I attribute to the honourable leader of the Government for his lack of enthusiasm are probably not the same as those which move me. In the course of his remarks he told us that the Bill was in the nature of an experiment, and he suggested various other methods—

Hon. Mr. DANDURAND: My honourable friend is in error. I said that it was a first step towards a policy that would naturally follow; that is, it was a provisional measure which would necessarily accompany or precede any contributory system.

Hon. Mr. McMEANS: While I do not like to contradict the honourable gentleman, the impression that I received from his remarks was that this was in the nature of an experiment. If I am wrong, I will withdraw. However, as I have already said, the honourable gentleman was not enthusiastic in introducing the Bill, and in my opinion one of the reasons is that this proposed legislation, as well as the Bill that was brought down last year and discussed in this House, is not a Liberal measure. It was never a part of the Liberal programme or platform. Considering for a moment the nature of the legislation and the reason why it was introduced, I think I may state without fear of contradiction that it is not a measure for which the Liberal Party can take any credit. Pension Bills, even in Australia and in England, have been the product of the Labour Party. If we cast our minds back to an event which occurred in another House about a year ago, we find that the leader of the Labour Party in that House sent to the Premier, and also to the honourable leader of the Opposition, a letter demanding that certain legislation should be passed, and one of the measures that he pressed then upon the Government and suggested to the leader of the Opposition was this Pensions Bill. The letter can be found at page 560 of the Debates of another House. The suggestion of the Labour leader was adopted by the Government and we had the Old Age Pensions Bill—a Bill that I am sure

does not meet with the approval of the people of this country. However, I am going to support this Bill, for reasons which I will give hereafter. We find Mr. Woodsworth, the leader of the Labour Party, stating in the city of Toronto, at a large meeting, that the Labour Party were entitled to credit for the Bill; and at a meeting which I attended in the city of Winnipeg I heard the Labour Party congratulate themselves on the situation existing at that time, that enabled the Party to demand from the Liberal Government a Pensions Bill.

I mention this fact because I want to say that, while I endorse the principle of Old Age Pensions, I believe in giving credit to whom credit is due. Anyone who attended meetings during the last election and listened to the speeches by the Prime Minister of this country and the other Liberal orators knows that they claimed that the credit for introducing this Pensions Bill into Parliament was due to the Liberal party. It would make the tears stream down your face to listen to the pathetic tones in which the people of this country were told that the Liberal Government had provided them all with assistance. But they were not satisfied to declaim throughout the country that they had provided for the needy and the aged; they added the astonishing statement that had it not been for the wicked Tory Senate the people would be by then in possession of pensions. I attended in the city of Winnipeg a meeting at which the Premier of this country, addressing an audience of 5,000 people, said: "I had given you an Old Age Pensions Bill." This was greeted with enthusiastic hand-clapping and cheers. "But the Tory Senate destroyed the Bill and took it away from you." As a member of this honourable body, sitting on this side of the House, I object to a statement like that being broadcast throughout this country. It was without foundation and there was no truth in it.

Does the Bill that is now before us, or did the Bill that was passed by the House of Commons last year, give pensions to the people of Canada? Was it the intention to give them pensions? The title, "The Old Age Pensions Act," is a misnomer. In my opinion it is an Act to prevent old people from obtaining pensions. The Prime Minister knew when he made that statement in the city of Winnipeg that the provinces were opposed to the Bill. He knew at that time that the Legislature of the Province of Manitoba had passed a resolution in which they declared that they could not take the advantage of it, and asked that the Dominion Government assume full control of, and full liability for, a Pension Act. The Government knew that at the time.

What is the result? You take away from the Labour Party the credit to which they were entitled, and you go through the country and tell the people that it is you who are going to give them this pension. You mislead the people simply by telling them that if it were not for a Tory Senate they would still get this pension.

Honourable gentlemen, if this had not been a serious matter it would have been laughable to hear the Prime Minister declaiming at a huge meeting in one part of the city, and then to go down to another part of the city and hear the gentlemen of the Labour Party telling their story. What can be said of statements that are passed throughout the country to deceive the people?

I venture to say that not one per cent of those who cheered the Prime Minister so enthusiastically when he made those statements understood that when this Bill was passed, before a pension became available, the consent of the provinces would be required. I say it was a cruel thing to deceive those old people who had gone to a meeting full of hope and who retired from it believing that if they would only place their confidence in the Liberal Party they would get this pension.

The Liberal Party succeeded in doing one thing, however: they succeeded in securing the votes of people who otherwise would not have voted for them. I venture to say, further, that if the Criminal Code contained a provision making it an offence to obtain the votes of the people by misrepresentation or false pretenses, and if a charge had been laid against some of the gentlemen who had made those statements, and they had been tried before a non-partisan jury, there would have been a verdict of guilty against theem.

I am going to vote for the Bill, and for this reason: I want this issue to be put squarely before the people of this country. I want the people to understand that when this Bill is passed and has received the Royal Assent they will not get a pension until the province in which they reside endorses the legislation. When that issue is fairly and squarely put before the people of this country, then they will give a verdict and will demand a Pension Bill along proper lines, and of some benefit to the people and they will refuse to be any longer deceived by this camouflage. That is my reason for voting for this Bill. I want it to be clearly understood that I am in favour of a pension bill, but this Bill is not one to give the people pensions. At most,

it might be said that any province that will come in under it will receive a grant which will be made at the expense of the other provinces. The honourable leader on this side of the House (Hon. W. B. Ross) said he did not think this was an issue before the people. I agree with him. I do not think the people had any idea of what this Bill really was. All they knew were the statements they heard from the platform, that if they voted for the Liberal Party they would get a pension. For these reasons, I am going to vote for the Bill.

Hon. Mr. CASGRAIN: It is a poor reason.

Hon. JOHN LEWIS: Honourable gentlemen, I do not intend to speak at any length upon the merits of this Bill, because that is a good deal like pushing against an open door. There is no doubt—and the speech of the honourable gentleman from Winnipeg (Hon. Mr. McMeans) confirms it—that the people of this country in the last election endorsed at least the principle of old age pensions. Further proof of that is afforded by the attitude of the other House, which is unanimously in favour of old age pensions. The only criticism made was that the Bill did not go far enough. Also I think I can see signs of a change of heart in this Chamber.

The honourable gentleman from Winnipeg says that this is not a Liberal measure, but a Labour measure. I am perfectly willing to give credit to the Labour Party so far as the credit is due. They seem to have converted not only the Liberal Party, but the Conservative Party also, and I am quite willing that they should wear the crown.

I intend to support this measure, even though it may be imperfect, because the only way in which we can hope to approximate perfection is to make a start and to remove the difficulties as they appear in practice. If we wait for a perfect measure we shall wait until doomsday. This is illustrated by the varied criticism directed against the measure. In this Chamber last year the objection was made that we were invading the jurisdiction of the provinces; and in the other Chamber this session the objection has been that we were leaving too much to the provinces and that the Dominion ought to do more. I mention this not to show that the critics are inconsistent, or that they destroy each others arguments, but simply to show the impossibility of framing a measure that will please everybody.

This Session we have heard another criticism, which if not entirely new, was not emphasized or featured last year, namely, that instead of this Bill there should be a contributory scheme with a pension for every man of seventy, whether rich or poor. I can see considerable merit in such a plan, and the Minister of Labour evidently has something of that kind under consideration. I might point out, however, that a contributory measure does not conflict with this measure, but that the one supplements the other. We have to provide first of all for men who are now seventy years of age, or so near it that their contributions would be negligible, and then at our leisure we may devise a contributory scheme. This has been the history of old age pensions in the Old Country. First of all, they had the Old Age Pensions Act of 1908, which was amended in 1911, again in 1919, and again in 1924; then, there is the Act of 1925. My understanding is that the earlier law was not repealed, but that the two were intended to work together. The Act of 1908 was somewhat similar to the one now before the House, and the Act of 1925 contained provisions for contributory pensions without any inquisition into the means or other income of the applicant, and I am informed that the one is supplementary to the other.

If we pass this measure we make a start and bring it into the realm of practical legislation, and it may be improved, as I said before, as defects appear in practice. If we reject it or amend it in such a way that it is sure to be rejected by the other House, it will result in a barren conflict between the two Chambers and an academic discussion which will lead to nothing.

Hon. J. J. DONNELLY: Honourable gentlemen, before this measure is voted upon, I wish briefly to explain the position that I intend to take. Unlike the honourable member from Winnipeg (Hon. Mr. McMeans), I am not in sympathy with the Bill. I feel that there are in this country many people who think they have the assurance that when they reach the age of seventy the Government will provide for them, and who, therefore will not make very much effort to provide for their old age. I think that in this way the Bill places a premium upon extravagance and imposes a tax upon thrift. I think we all agree that the men who develop self-reliance and independence get the most out of life, make the best citizens, and build up the best country. I am disposed to think that the tendency of this Bill will be along other lines. It is in my opinion, altogether too paternal.

Having said this, I might be expected to vote against the Bill. But we are in a peculiar position. I am one of those who believe that one of the principal functions of the Senate is to act as a check on hasty and ill-

considered legislation. A similar measure was introduced last Session, and by killing that Bill we exerted that check. We are in a very different position to-day. We have had a general election within the last six or seven months, and my opinion, arrived at from my own observation, is that this measure was an issue in the election. In that I do not altogether agree with the honourable leader on this side of the House. I think it was really an issue. I have too much respect for the electors of this country to think that they returned the present Government to power on its past record. I rather think they were influenced by the promises which were made, and this Bill is the outcome of one of them. Many old people felt that, no matter what their means were, once they reached the age of seventy they would receive a pension. The Government and its supporters managed to create that opinion; they managed to create the impression that they had a bag of money to divide among the old people if the wicked Senators had only permitted them to untie the bag. I will illustrate by a rather amusing incident which occurred about ten days ago. I was in Western Ontario when a gentleman nearing the age of seventy asked me my opinion in regard to the Old Age Pensions Bill. I told him I was not in sympathy with the Bill. "Why, man," he said, "it is the very thing we want. The Provincial Government is passing legislation which will permit us to buy whiskey, and if the wicked Senate will only permit the King Government to pass the Bill, we shall have the money to buy it." I realized that the reasoning was faulty, and I am not advancing it as sound; but it is no more faulty than the reasoning which persuaded the electors to elect this Government.

I am in this position. I feel that this Bill comes before the Senate as the considered will of the people. It was approved in the last election; it has had practically the unanimous support of the members of the other House; and as a member of the Senate I do not feel disposed to vote against it. But, having voted against the Bill last session, and not approving of the principle of the Bill, I do not intend to stultify myself by voting for it now. I therefore have taken the decision to refrain from voting. When the old people realize that, while the Bill has passed both branches of Parliament and has received the Royal Assent, they are still without their money, the Government will have to think out some other answer than that the wicked Tories killed the Bill.

Hon. C. P. BEAUBIEN: Honourable gentlemen, notwithstanding the elections of last year I do not feel justified in changing my mind as to this Bill. I think that some of my colleagues on this side of the House have been over generous indeed towards the Government in their interpretation of the last election. If we take the number of votes cast on the one side for the Conservative Party, and on the other side for the Liberal Party, as well as those cast for the Progressive Party, we find that there is a clear majority of over 26,000 votes for the Conservative over the two other parties. How, therefore, can we interpret the election as an endorsation of any measure of this Government, much less of this measure?

I am greatly in sympathy with what the honourable gentleman from Winnipeg (Hon. Mr. McMeans) has said. It is true that during the last election old age pensions were offered to the people as a perfect panacea for all the troubles of old age, and now the Government is face to face with the difficulty of applying the panacea. Indeed, I believe the Government takes comfort from the fact that the Bill is now before the Senate in the hope that they may be protected, on the one hand, against the odium of breaking their promise or on the other hand, against the responsibility of carrying it out.

I quite understand the great temptation of honourable gentlemen on this side of the House to say to the Liberal Party and to the Government: "You have concocted this measure; you have used it unfairly during the last campaign; now we will let you have a taste of your own medicine in its application." I understand that feeling perfectly, honourable gentlemen, but what would be the consequence of passing this Bill?

This, in my opinion, is an iniquitous measure. First of all, it is unhealthy in its basic moral principle. It is going to stunt the growth if it does not altogether blight and wither all incentive for thrift and providence in the land. Furthermore, it rests upon a very unsound financial structure. If we pass this measure, honourable gentlemen, I very much fear lest some day in the not very far distant future that this country will be saddled with the obligation of paying yearly such huge sums as $30,000,000 or $40,000,000. How can that be proven? Very simply. The measure before us is based not on the population of today, not at all; it is based on the population of 1921—six years ago. Therefore the annual figures brought to us and submitted to our judgment are very much below what they will be if the law

is put into effect. Besides that, of all the old men over 70 in this country the Government has taken the proportion of 40 per cent only who will take advantage of this Bill. On what is that based? Purely and simply on the experience gathered by the application of a somewhat similar law in Australia, a different country with totally different conditions, and as applied to men of 65 years, therefore of a different age. Honourable gentlemen can very well surmise that at 65 a man can work and provide for himself, and therefore not need a pension as much as when he is 70. Therefore the figures would be very much lower for men at 65 than at 70. Notwithstanding that, the calculations of the Government for the application of this law call for $24,000,000 a year. It matters little whether $12,000,000 of that amount comes from the provinces; ultimately it all comes from the people, and we will all be taxed for it. Therefore I say that a measure which is going to saddle this country with such huge obligations, much greater than those which are acknowledged, and that will keep increasing forever, rests upon a very unsound financial structure. Besides, it is absolutely unjust.

Why should the Government press the passing of this measure knowing that at least three provinces cannot benefit by it? That fact nobody can deny. How does the Government think it is justified in providing for one kind of destitute people, the old men, and forgetting all the others? It is true that the destitution at old age is a sad thing, but the destitution at a younger age is sadder, because is it going to last very much longer. Therefore I say this measure is unjust on account of those who will have to contribute to it and receive nothing in compensation, and also on account of the special class that has been selected by the Government as beneficiaries, to the exclusion of others equally in need.

Honourable gentlemen, the only feature that would commend this Bill to my judgment is the promise of the honourable leader that it was headed for a complete and not far removed transformation. From a gratuitious scheme this is going to evolve gradually into a contributory system. But let me tell him that what you give the people you can never take back, and therefore this measure will never evolve. What you do now cannot be undone. It is therefore imperative to improve this piece of legislation at present if we can.

Is it not possible now to modify it in order to permit, first, if there be need to pay pensions immediately, that those pensions be paid; but, secondly, that this gratuitious system submitted to us shall gradually be evolved and changed into a reasonable and sound contributory system? My honourable friend who leads this House says it would be quite possible to establish a contributory system provided we were allowed 20 years to build it up. Therefore I take it that the difficulty in building up a contributory system only affects the first period of 20 years. If we can bridge over that period we can gradually go on with the contributory system, which of course is financially sound. If we establish a contributory system concurrently with the passing of this law, am I not justified in stating that the contribution of the state, which will reach the maximum amount, for the first year, of from $24,000,000 to $30,000,000, will gradually decline until at the end of 20 years it comes to nothing, because at the end of 20 years the premiums will take the load and pay for pensions thereafter?

If that is the case, can we not sit down and call to our help men who have built up the great insurance companies of this country, men like Macaulay, like the President of the Canada Life, men like Mr. Fiske, who has established here a very important branch of perhaps the mightiest insurance institution in the world, the Metropolitan Life? Why could we not ask such men to come and elaborate for us a system by which we would care for our old men now by paying through the public exchequer whatever is necessary for that purpose, but only for that period which we need to bridge over, until the contributory system can take full charge of all pensions? Honourable gentlemen, I would like to impress upon you the prima facie possibility of doing that, by referring to the explanations given by the leader of the Government in this House.

Calculations have already been made for a contributory system by the Labour Department of the Government, and what do we find? We find that a scheme, the purpose of which is to give a pension of $365—not $240—to every man reaching the age of 70 requires very small weekly contributions during the early periods of man's life. For instance, at 18 years a man would have to pay only 28 cents a week; that is to say, a total contribution for that small account which could very well be divided between the Government and the beneficiary, and which would be extremely light. When a man reaches 35, he has only to pay 72 cents a week, half of which let us say would be paid by the Government; and so on. In the scheme referred to the Government subscribes roughly one-third of the smaller premiums and a much

lesser proportion of the heavier ones. For instance, in the total contribution of a man of 18 years the Government furnishes, roughly speaking, 33 per cent. In the total contribution for a man of 35 the Government subscribes 15 per cent. In the total contribution of a man 50 years old the Government only contributes 4½ per cent. An insurance of this kind is the cheapest than can be conceived, since there are no costs for solicitation, for medical examinations and similar expenses. If the masses in the country did insure, the overhead would be very small, and we could devise a scheme that would be light for the beneficiaries as well as for the Government.

Hon. Mr. LAIRD: I would like to ask the honourable gentleman this question: provided the contributory system to which he refers were put into effect, if only 50 per cent of those eligible paid to that system, what would become of the other 50 per cent when they arrived at the age of 65 or 70? Would the same Government institutions which are now in existence have to be continued to provide for them?

Hon. Mr. BEAUBIEN: As I mentioned, if there were not the first period of twenty years, there would be no difficulty at all; we could sit down to-day and establish a contributory system which would begin to function in 20 years from now. There would be no difficulty.

Hon. Mr. LAIRD: That is not an answer to my question.

Hon. Mr. BEAUBIEN: Just a moment, please. Therefore the question is this: how are we going to bridge over that 20-year period? Even if the Government had to pay the entire amount of the pensions for 20 years, I ask my honourable friend whether that would not be better than paying them for all times to come? That is the proposition that I am putting before this House.

Hon. Mr. LAIRD: I do not think the honourable gentleman has answered the question yet. I ask him, assuming that 50 per cent of the people arrive at the age of 65 or 70, and are therefore pensionable, what would become of the 50 per cent who did not take advantage of the contributory system, and during those 20 years do not pay their portion of the assessment? Would not the Government institutions which are already in existence, provided by the provincial Governments, have to maintain those people, and would not those institutions have to be continued at the end of 20 years in order to provide for those who did not contribute?

Hon. Mr. BEAUBIEN: That is quite possible; and if we do not make a contributory system attractive enough we may not get all the people in. But a system of that kind is subject to all sorts of modifications and inducements. For instance, you may say to the employer: "You must insure your employees." I do not know that you could make it compulsory, and to my mind that would operate to restrict the liberty of the people far too much; but insurance can be made so cheap that it would be very attractive, and I think the masses of the people would take advantage of such a system.

Now, just one other thought. If you have the mass of the people insured, the administration of such a national undertaking to every man reaching the age of 70 would be extremely heavy and difficult. Then why not call upon the insurance companies of this country to coöperate? Supposing that we would form a corporation of all those insurance companies willing to enter into it, and turn over to them the administration of this scheme of pensions on two conditions: first, that there would be proper supervision; and, secondly, that there would be the strictest limitation as to profits. With that system established you would have practically the bulk of the nation providing for itself in later years, and great institutions of this country helping them generously to do so.

Just one last word. I know that the Government, since it has been in power, has time and again played to the less desirable instincts of the people. Time and time again we have seen the Government pointing an easy way to the treasury of this country, and inviting the people to come along, and help themselves freely. Remember the legislation sought for the Home Bank, to cite but one instance. The Senate stepped in and stopped the raid, reducing to one-third the amount offered by the Government.

Hon. Mr. McDONALD: Suppose we amend this measure, that was thrown over last year, and the other House would not consider it, have we not killed the Bill again? I would like an answer to that one question. Suppose we made an amendment, no matter what we did, and the Commons would not consider it, have we not killed the Bill again?

Hon. Mr. CASGRAIN: Surely.

Hon. Mr. BEAUBIEN: Of course, if you take an unwise measure and make it a wise measure—

Hon. Mr. McDONALD: I would like an answer to that question.

Hon. Mr. BEAUBIEN: I am endeavouring to answer. If that wise measure so modified and improved is sent to the other House and is killed, I don't think the Senate can be blamed very much for it.

Hon. Mr. McDONALD: If it is in your opinion a wise measure you can bring it in every Session, and every Session the Senator from Montarville (Hon. Mr. Beaubien) could kill it by a wise amendment; is that right?

Hon. Mr. BEAUBIEN: No, because I believe it is the duty of this Senate, if it can, to amend and improve the legislation which is brought before it; and if out of this measure, which is an unjust and dangerous one, you can make one that is wise and prudent for the nation, our duty is clear; and if the House of Commons had killed the amendment we made to the Home Bank Bill, what of that? The House of Commons would have borne the entire responsibility. If we can evolve out of this measure, as I hope we can, one that is sound and provident for the nation, we will have performed our duty, and we can very well let the responsibility lie somewhere else if that measure, so corrected and improved, is killed there.

Therefore, honourable gentlemen, I shall move:

That this Bill be referred to the Committee on Banking and Commerce, with a view to endeavouring if possible to replace it by legislation—

(a) enabling the immediate payment of Old Age Pensions to the same age classes and for the same amounts as provided by this Bill;

(b) providing for the said pensions by means of insurance to which shall contribute the beneficiaries as well as the public exchequer, the contribution of the latter absorbing the surplus cost of the first twenty-year period of operation;

(c) and creating a corporation composed of the different life insurance companies of Canada willing to participate therein, and charged with the administration of the proposed law, subject to proper supervision and to restriction as to profit.

Hon. Mr. DANDURAND: The honourgentleman stated that he would move.

Hon. Mr. BEAUBIEN: I have to give notice.

Hon. Mr. DANDURAND: The honourable gentleman—

Hon. Mr. BEAUBIEN: I move now.

Hon. Mr. DANDURAND: But there is a motion for the second reading. When we have voted for the second reading of the Bill, if we do vote for it, my honourable friend might suggest to the Senate that the Bill, instead of being examined in Committee of the Whole—

Hon. Mr. BELCOURT: He might move an amendment to the motion.

Hon. Mr. DANDURAND: He might suggest to the Senate that instead of examining the Bill in Committee of the Whole we should refer it to a Special or Standing Committee; but he need not give any notice for that purpose. This is a public Bill. I make this remark because I desire to know whether or not the honourable gentleman is moving against the second reading.

Hon. Mr. BEAUBIEN: Will the honourable leader allow me? My purpose was not to commit anybody to the principle of the Bill. As I understand, a Bill may be moved into Committee at any stage, and my purpose was to move now, before the House had passed on the principle of this legislation, and send it to the proper Committee to deal with a measure of this kind.

Hon. Mr. BELCOURT: No, the honourable gentleman cannot do that. The House has to pronounce on the principle of the Bill before it can be referred to a Special or any other Committee.

Hon. Mr. CASGRAIN: There has been only one reading.

Hon. Mr. BELCOURT: What my honourable friend might do is this: when the motion to go into Committee of the Whole is moved, he might move as an amendment what he suggests.

Hon. GEORGE LYNCH-STAUNTON: Honourable gentlemen, I am not going to address you at any great length. I do not expect, nor do I wish, to influence the vote of any member of this House; I wish only to place before you, as shortly as possible, my reasons for the vote I am about to cast on the second reading of this Bill.

As I listened to the honourable gentleman (Hon. Mr. Dandurand) smilingly introduce this Bill I thought that he was making an argument in its support—that he was laying a foundation for the structure. In fact I was somewhat like Alice when she saw the Cheshire cat in Wonderland. She thought she saw a smiling cat, and, for a while, the longer she looked at it the more certain she was that she saw a smiling cat, but in the end Alice was forced to the conclusion that she saw only a grin. I had listened to the honourable gentleman's speech, and when, next day, I went to my room and read it I came to the conclusion that I had not heard an argument, but had only seen a grin. The honourable gentleman said nothing in support of the Bill. He is a dauntless leader and is not afraid to

champion anything that he favours, but this was too much for him. He rose and moved the second reading, and then he told us about the golden age that was to dawn on us when the other House would bring in another kind of Bill. The honourable gentleman let it go at that. He thought he would depend upon the common-sense of the Tory Senators to kill it. He knew that the bridled gentlemen on his side might vote for it, but he knew also that up to the present time the Lord had not answered the prayer, "Give us this day our daily dead Tory Senators," to a sufficient degree to prevent the defeat of the Bill.

Well, I think this Government are riding for a fall. I do not believe that they would ever have mounted on a spavined stumbler like this had they expected him to make the course. I am satisfied that they have hedged and even if they do win the race, they will lose money on it. However, be that as it may, I trust that they will not lose that money.

To be serious, this Bill is within the jurisdiction of either the Dominion Government or the Provincial Legislature; it cannot be within the jurisdiction of both. It cannot be that under the scheme of our Government as laid down in the British North America Act —which, I must confess, is ignored time and time again in the legislation of the Parliament of Canada—

Hon. Mr. POIRIER: Honourable gentlemen, may I be permitted to rise to a point of order? I would like to know whether the discussion is on the amendment proposed by my honourable friend from Montarville (Hon. Mr. Beaubien), or whether we are discussing the second reading of the Bill. I would like to know where we stand. My honourable friend will excuse me for putting the question. I did not mean to interrupt him.

Hon. Mr. LYNCH-STAUNTON: This discussion is on the second reading, if I am not, like Alice, dreaming.

The Hon. the SPEAKER: The honourable gentleman (Hon. Mr. Beaubien) did not move an amendment: he just gave notice of an amendment that he might move on some other occasion.

Hon. Mr. LYNCH-STAUNTON: I hope my honourable friend has had his mind clarified. Now, honourable gentlemen, all the legislation for Canada is within the jurisdiction of either the Dominion Parliament, sitting in Ottawa, or the Provincial Legislature, at the provincial capital. It cannot be within the jurisdiction of both. I have never yet heard that the Dominion Parliament and the Provincial Legislatures had concurrent jurisdiction. I thought that the scheme of the British North America Act was to divide the jurisdiction so that those things which should be for the general advantage of Canada, or should affect the people as a whole, should be assigned to this Parliament, while those things which peculiarly related to the province were within the ambit of provincial legislation. If that is, in general, the scheme of our British North America Act, then either this Parliament or the local Legislature has no jurisdiction regarding pensions. My opinion was, and is, that this is a matter for the Provincial Legislature. For that reason I voted against the Bill, and for that reason I intend to vote against it again.

The Government never had any idea of bringing this legislation into effect. The ultimatum from Mr. Heaps compelled them to bring in some legislation during the last Parliament; so they framed up as unworkable a proposition as ingenuity could suggest to them. They knew that it was an enormously expensive matter; they knew it was an outrage to try to buy the vote of the Labour Party, or any other party, in order to support their tottering regime; and I must congratulate them on the form in which they put this legislation.

But that time has gone by. They do not now need the vote of the two members from Winnipeg, because those who sailed under the colours of the Farmers' Party have raised a new flag and are real supporters of the Government. This legislation is brought in now either to save the Government's face or to try to embarrass the Senate. Mr. King, ever since he has been in power, has pursued the Senate implacably, for the sole reason that he desires to be the autocrat of this country. He tried to pull down the sovereign from his high place, but I do not think he succeeded; and he is trying now to get absolute power. Like Richelieu, he will not serve unless he has absolute power. There is no influence to restrain him in the House of Commons, and he wishes to sweep away the power of the Senate. When he came back from the Imperial Conference, with banners flying, he knew that he had no right or power to abolish or to recommend the abolition of the Senate. He found out that the Constitution was an agreement not between the British Government and the Parliament of Canada, but between the British Government and the Provinces of Canada, and that they, and they alone, as he has been forced to admit, have the right to amend the agreement. This being so, we have no reason to feel timorous

or to believe that the present Government can assassinate us. They can only pray for us or against us, and as the prayers of the unrighteous do not always prevail, when the breath is leaving my body I shall not feel that it is in answer to a prayer of Mr. King.

Honourable gentlemen, in my opinion this Bill is not within our jurisdiction, and I think it is unbecoming of the dignity of the Dominion Parliament to intrude upon the jurisdiction of the provinces. I think such action is disrespectful. We should not endeavour to evade the law and try to assume powers which it was never intended that we should exercise. I think it is improper for us, unless we firmly believe that we have a right to do so, to pass any legislation which may impinge upon the rights of the provinces.

Hon. Mr. DANDURAND: Will the honourable gentleman tell us in what particular this Bill infringes upon the rights of the provinces? In what way is it different from the Good Roads Subsidy Bill?

Hon. Mr. LYNCH-STAUNTON: The Good Roads Bill simply provided a grant. I have not considered that question, and I will confess that I am not prepared to answer it.

Hon. Mr. DANDURAND: This is a grant.

Hon. Mr. LYNCH-STAUNTON: I do not think this is a grant: I think it is quite different from a grant. In my opinion—I may be quite wrong; I am only giving my opinion—the Good Roads Bill is quite a different piece of legislation. However, I have not considered it, and do not purpose giving, or pretend to be able to give, a definite opinion.

Let me say further that this is most improper legislation, for another reason. I have partially read the speech of the honourable Minister who introduced this Bill in the other House, and the discussion which ensued. It was there stated and admitted that every province of Canada, save one, is against this legislation. Now, if all those provinces are against it, they are not going to concur in it. If they are against it, only one province is going to secure any benefit from it. I ask you, honourable gentlemen, is it just or is it right that the people of all the other provinces of Canada should contribute to old age pensions which will be payable in one province only? Is it justice, is it equity, that they should be taxed when they cannot possibly receive any benefit?

Then, is it fair, is it cricket, for this Government to try to force other Governments in this country to adopt policies of which they do not approve? Surely it is not proper for this Parliament to take the Province of Ontario and Quebec, and New Brunswick and the Western Provinces by the throat and say to them, "If you do not pass this kind of legislation we will go up and down through this country and condemn you, and say that we offered to join with you in this legislation, but could not kick you into it?" That is not right. Let this Parliament stand on its own feet; let it pass its own legislation and not interfere in provincial matters at all. I say it is a most cowardly act on the part of this Government, in order to compass its own ends, to interfere in the jurisdiction or with the legislation of the local parliaments. Why, I am told that the Province of Nova Scotia says: "We cannot enter into this scheme; we have not the money." And that Government is going to be cursed up and down the side lines by all the old people, because it has not adopted this legislation. I say such a state of affairs is absolutely unheard of. If the Dominion Government want legislation of this kind let them bring in a Bill under which they will pay the shot, instead of trying to lug in other people who do not want to join with them.

I am satisfied that this Bill is not within our jurisdiction. I am convinced that there is no such thing as a concurrent jurisdiction of the Dominion and Provincial Parliaments. Even if I were positive that the Bill was within our jurisdiction, I would still vote against it, because it is an effort to coerce the provinces into a policy which they do not desire to adopt. I consider that that is the most serious and most weighty argument against this Bill. It is taking away from the provinces their freedom of action and is an attempt to become master not only in Ottawa, but in every provincial capital in this country. We are here to see that there is no undue influence brought to bear nor improper action taken by the Federal Government, and that there is no impinging upon the freedom or jurisdiction of the provinces in the matter of legislation.

Hon. F. L. BEIQUE: Honourable gentlemen, during the last twenty-five years a great change has taken place, in this country in regard to the question of pensions. The banks and the large companies have inaugurated a system of pensions to their employees. At first this system embodied the principle of contribution by the employees, but in later years the pension has been provided by way of insurance on the lives of the employees, and in the great majority of cases the em-

ployees are not called upon to make any contribution, the amount of the premium being regarded as part of the salary.

In European countries old age pension laws have been adopted almost everywhere. In some countries the contributions are voluntary; in others, such as Germany, they are compulsory.

We approached this question in Parliament for the first time last year, when we had before us for consideration a Bill similar to the present one. It is incumbent upon us to try to profit by the experience of other countries and to try to study the measure to the best of our knowledge and ability. As far as I am concerned, I am in sympathy and have been in sympathy with old age pensions for a great many years, and I have followed the legislation in various countries with a great deal of interest. I am in favour of such a system provided it is applied in such a way as to induce thrift and encourage savings; but in my humble judgment the present Bill is not prepared on such lines, and I am afraid that it would rather encourage improvidence, and therefore I hope the Bill will be referred to a Committee in order that we may properly discharge our functions, by studying the question from all angles and make the best suggestions of which we are capable.

In my opinion this question is within provincial jurisdiction, but I would not object to the Federal Government taking a part in it —and I think the Government can do so— provided it is supplemented by legislation from the Provinces, as is intended under this Bill. I would object, however, to the Provinces being coerced in any shape or form. I believe it is but proper that they should be consulted and that any measure of this kind should be adopted only after consultation between the Federal Government and the several Provinces. That is a further reason for my suggesting that the Bill be referred to a Committee. I think it would be unfair on the part of the Federal Government to expose any of the Provinces, which may be unable or unwilling to join, to the odium with their own people of having refused to take the benefit of the measure and at the same time placing its inhabitants in the position of paying a share of the expenses of carrying on a pension scheme for people in other Provinces.

If this Bill is referred to a Committee, as I hope it will be, it will be the duty of the Committee to wire all the provincial Prime Ministers inviting them to give their opinions and suggestions in regard to the Bill, and when the Committee has obtained their answers, I think it will be its duty to go further and, with the help of the proper employees of the Government and employees of insurance companies, to have Bills drafted in conformity with the systems in operation in several different countries, such as England, France, Belgium, and Germany, so that the Committee would have before them the systems of those countries in a concrete form.

This is an exceedingly complex matter. I have given a good deal of attention to the law as it stands in England, and I have also tried to follow the law as it exists in some other countries, and I find that the application of a law of that kind is exceedingly complex, and that minute study must be made by men of experience in the matter in order to prepare a measure of this kind.

The information obtained by the proposed Committee would help the Prime Minister and the representatives of each province to reach a decision. If there were a conference to-morrow between the Prime Minister of the Dominion and those of each province, I do not think that this question could be discussed fully, or that any of them would be properly prepared to discuss it on its merits. It requires special knowledge of the whole machinery, and the work of the proposed Committee would help them to arrive at a proper conclusion.

One important question is as to whether employees or beneficiaries should be called upon to contribute. We are in the undesirable position of having to inaugurate a system in which provision will have to be made for people who can hardly pay contributions, and as a consequence it will be more onerous for the first 15 or 20 years than it will be in the future. But I believe that this country can appeal to insurance companies of all kinds doing business in Canada to lend a hand in the inauguration of a scheme of that kind, and to co-operate as much as possible. The insurance companies are interested in the welfare of the citizens, old as well as young, old age pension tending to prolong life, and involving a humanitarian question of great importance, I think the public would have a right to expect insurance companies to assist in the inauguration of a system of that kind.

Right Hon. Sir GEORGE E. FOSTER: Before my honourable friend finishes his speech, would he give us his view in reference to the position of Canada compared with that of the different States, and the federal power in the United States? He has taken us over the European countries, and given us an idea of their general trend of policy, and suggested that they have all old age pensions Bills or

insurance arrangements. Is it not the fact—or does my honourable friend hold against that view—that conditions are more comparable as between Canada and the United States of America, and its different States, than they are as between Canada and the Old Country? There are 48 States, dividing amongst them a population of 120,000,000 people, some States larger and others smaller; but, if I am rightly informed, there is not in a single one of those States the necessity for, nor does there exist, an old age pension arrangement, enacted either by federal or State legislatures. The point with me, which is rather strong, is that a young country like Canada, with conditions very similar to those on the other side, has something to learn from the general trend in this matter upon that side of the line, where they are prosperous, and where the great bulk of the people do not seem to have felt the need for anything like old age pensions. If they could get along and prosper so well, why is it necessary for us to embark on a system which they have not found necessary for themselves?

Hon. Mr. BEIQUE: It is quite true that the United States have not gone very far in adopting the system of old age pensions, though it has been done in a few States. I think more progress has been made in that respect in Europe than in the United States. I would think that the reason why old age pensions have not been more generally adopted in the United States is because there are very large industries and companies of all kinds which have created and are every day creating pensions for their employees. As far as I am concerned, I am in favour of old age pensions for those who are not reached by the Government, or the banks, or by large companies. I think there may be an important class of the population who are liable in their old age to be left without any means whatever, and that it may be the duty of the state to create machinery which will guard against that condition of things as much as possible. I think that the proper way to do so is by way of contributions on the part of employees so long as they are able to earn wages, and also on the part of employers and the state.

The question is exceedingly complex, and I think it would be wasting our time to try and discuss the problem on its merits in this House before we have obtained the proper information, which we can secure only through the work of a Committee, and with the help of experts who will prepare different drafts of the Bills in order that we may have in concrete form the system of the different countries, and decide as to our final action on the Bill.

My ultimate suggestion would be that this Bill should not be passed during the present Session. I think, in all fairness to the provinces, that it should be discussed between this Government and the provincial Governments before any legislation on the subject is passed. I will have no objection to voting for the second reading of the Bill provided we receive the assurance that it will be sent to a Committee such as I have mentioned, and that the Committee will have the means of getting proper information such as I have indicated.

Hon. G. D. ROBERTSON: Honourable gentlemen, it is not necessary for me to discuss at length the subject before the House, or the principle embodied in this Bill, namely, whether or not Canada should have old age legislation, because my views are well known. But I desire to say a few words with reference to the necessity, and the growing necessity, of some sort of old age pension legislation in Canada.

It may have come to the attention of all honourable gentlemen that notwithstanding the fact that our industrial production is doubling and trebling in each decade, the number of men actually producing the things turned out by our industries scarcely increases at all; so that year by year there is an ever-increasing number of men growing old in years who, like worn-out machines, are being thrown aside with nowhere to go, and no facilities by which they may be supported.

I was astonished the other day to find what the real situation is, and I will quote just a paragraph. The manufacturing industries of Canada in 1924 employed 516,177 persons—only 974 more than were engaged in those industries in 1910. But the capital employed in 1924 was $3,380,000,000, compared with $1,247,000,000 in 1910. That is, the capital invested in manufacturing industries in Canada increased 183 per cent in that period of 14 years, while the number of employees, or man-power necessary to handle that greatly enhanced production and value, increased one-sixth of one per cent.

Hon. Mr. CASGRAIN: Is that not due to more and better machinery?

Hon. Mr. ROBERTSON: Exactly. So that the working people of our country find themselves in the position, with the advance in science, the improvement in machinery, and the large mechanical production of the present day, so great every year is the rush and struggle and competition between the

hundreds of thousands of workmen looking for employment, that the old man finds himself shoved aside, and when a man gets beyond 50 years of age in Canada to-day, unless he has some trade, or is skilled in some particular line, he is like an old horse, and finds it difficult to get a living.

In this condition the responsibility upon the state is increasing, and it is becoming year by year more important to do something to provide for those who have given their service through a long period of years to this country honestly, earnestly, who perhaps have been unfortunate in investments, and who find themselves at the end of the road and incapable of providing for themselves.

Honourable gentlemen, I hold that in the consideration of this important question, and the principle involved, there should be no hesitation as to where our sympathies, and indeed our duty, lie—to endorse the principle, and adopt legislation of some sort looking to the proper provison and care for our old and infirm people who are approaching the end of life.

If this is true, and I am convinced that it is, and I intend to support the Bill because of that conviction, then what is our next duty? The Government brought down a Bill last year, and I believe that most of us, perhaps all of us, agree that in many respects it was imperfect; but the Bill was thrown out in this House, and not even given a second reading. I believe that all that has been said about the advantage that was taken of that fact in the last general election is true; but I am not going even to discuss that feature, because I think it is a shame to make the old people of this country a pawn in the political game. I do, however, suggest that within the last few days, when this Bill was under discussion in another place, the Government refused to accept amendments to this Bill. Why did they so refuse? Because they said they proposed to put the Biill up to the Senate in the same form in which it was presented last year, and dare the Senate to amend it.

Now my honourable friend from De Salaberry (Hon. Mr. Béique) proposes that this Bill should be amended, discussed and considered by a Standing Committee. I feel sure that democracy in the Senate is demonstrated to-day in the fact that he, at least, is not pledged to support or follow the policy with respect to this Bill that was declared in the other House. But I wonder what will happen to this legislation if it is sent to a Special Committee. I wonder if the term that has been used in this House several times may not be applicable to the fate of this Bill, namely, that it would get a decent burial; because my honourable friend has even suggested that he does not think it will pass during this Session of Parliament.

Honourable gentlemen, I think the position is clear to us all, and is serious enough to warrant not only fearless but definite and vigorous action on the part of Parliament in connection with this question. What have the Government further said? That there is to be called a conference of provincial Governments—provincial Premiers, I assume, with such other Ministers as they may bring with them. What for? To discuss the subject-matter of this Bill, along with other measures. I venture further to suggest that if this Bill is killed in the Senate this Government will declare to the people of Canada that the proposed conference cannot now be held because the Senate killed the Bill, and there is no use calling the conference to discuss it. So we will have a repetition of what was said last year to the people, and thus we will continue to create an appetite and a greater desire on the part of people throughout the country for the pension. probably not one person in a hundred knowing anything about the detailed contents of the Bill, but of the opinion, as they were last year, and during the campaign especially, when the details were not explained, that every person reaching the age of 70 years, regardless of their financial circumstances, were going to get a pension. The young people who were supporters of the elders would feel that their obligation would thus be discharged, and they would hold up both hands and throw up their hats in favour of old age pensions, because they believed they were going to be freed of responsibility.

Let us do our duty, and see that the situation is set right before the people. The only way in which that can be done, in my judgment, is to give this Bill a second reading, let it go to a Committee of the Whole House, let us approve of this Bill and send it back to the House of Commons absolutely unamended, and then let the Government call the conference, and let it sit down with the provincial Governments and work out something that is feasible; and probably at the next Session of the Federal Parliament, by agreement with the provinces, there will be enacted some form of Pension Bill which will be workable and to which we can all give our blessing and approval. Let us not stand in the way and say that we will kill this Bill on the second reading, or send it to some Committee for a decent burial. If after what has been said in the other House we amend the Bill in any

way and send it back with alterations, we may expect that the amendments will not be accepted and the Bill will be killed. Then the Government will not call the Provincial Conference, this Chamber will again be saddled with the alleged responsibility for what occurs, and the people will believe accordingly. Let us not be the goats, to use a homely phrase.

Hon. Mr. BEIQUE: Do I understand the honourable gentleman to express the opinion that it is the duty of members of this House, not to make amendments, but to pass Bills as they come from the House of Commons?

Hon. Mr. ROBERTSON: I say to my honourable friend that in view of the statement that is said to have been made in the other House, and the refusal to agree to an amendment of the Bill there because they intended sending it to the Senate without change, so that the Senate would be faced with the necessity of accepting what it rejected last year —that in view of that threat, and the fact that there has been a general election and the people have passed upon this question, it would not be good form for us to reject or amend this legislation at this time, and so far as I am concerned I intend supporting the Bill on the second reading. I will support it in its entirety, although I absolutely disagree with some of its provisions. I believe that only by accepting the Bill without amendment can it become law and a conference of the provinces be brought about, as a result of which some concrete, feasible plan may be developed that will bring relief to the old people of this country, who sorely need it.

Hon. Mr. BELCOURT: Would not the Senate, if it did that, be shirking its duty?

Hon. Mr. SHARPE: Not in this case.

Hon. Mr. ROBERTSON: I do not think so in this case.

Hon. Mr. LAIRD: Some people shirked it last year.

Hon. Mr. ROBERTSON: Incidentally, I have just been recalling to my own mind what the honourable member from De Salaberry (Hon. Mr. Beique) did with this question last year. If I remember rightly, I saw him go out the door just before the vote was taken.

Hon. Mr. BEIQUE: Well, I was sure that the Bill would be killed.

Hon. Mr. ROBERTSON: Honourable gentlemen, I do not want to prolong the discussion, but I desire—

Hon. Mr. BEIQUE: I hope that I have shown that I generally do not shirk the expression of my opinions. I discuss and support Bills according to their merits in my best judgment, and I intend doing so in this instance.

Hon. Mr. ROBERTSON: The remark was made in jest, as there were several jests being passed across the floor. But, earnestly, I want to make an observation with reference to the remarks of my honourable friend from Hamilton (Hon. Mr. Lynch-Staunton) on the question whether or not the Federal Parliament in this instance is trespassing upon provincial jurisdiction. I am induced to do this by reason of experience had with similar measures passed in times gone by. For example, we have had, I think, four different pieces of legislation which to my mind are based upon the same underlying thought, namely, assistance to the provinces. Under the Technical Education Bill of 1919 we said: "We will give to the provinces, in proportion to population a million dollars a year, to help them in technical education and help in the development of brains among the people, to make them more skilful and increase their earning power." That was a purpose commendable in itself. Nobody objected to the principle. But the Federal Government did not say to the provinces: "We are going to hand out this money, and you may do what you like with it." We said: "You might build technical schools with these grants. We intend that this assistance shall be for the development of brains and not for the building of brick walls." Therefore we held a string upon the grant, by providing for certain assistance to the provinces if they complied with certain conditions. A similar arrangement was made in regard to the construction of roads, and indeed there are one or two other measures that might be mentioned. By this Bill, as I see it, the Government are in effect saying to the provinces: "We have come to the conclusion that some sort of old age pension legislation ought to be in effect here, because it is needed. Now, we will help you to the extent of paying 50 per cent of the pensions, not to exceed $20 a month, provided you step in and contribute your share." It is on exactly the same basis, I believe, as the other legislation in that regard.

Hon. Mr. CALDER: Would the honourable gentleman allow me just a moment? In the case of all the other legislation he mentions the provinces requested the grants. Take the case of the Technical Education Act. Was there a single province in Canada that was not asking for assistance from the Federal Government for technical education? In the case of the road grants every province in Canada, for a long period of years, had been

asking for federal assistance of this kind. But in the present instance, according to the evidence before us, not a single province in Canada has asked for this legislation. There is only evidence to the effect that one province in Canada is prepared to accept it. I think the illustrations given are on an entirely different footing.

Hon. Mr. ROBERTSON: I might reply to my honourable friend by pointing out that one province has already enacted the necessary enabling legislation to co-operate in this scheme, and that three other provinces, one of which he comes from, have gone to the extent of saying to the Federal Government: "We are not asking your assistance, but we are asking you to assume the whole burden." Therefore the provinces apparently are very much in earnest in their desire to be relieved of the burden which they are now bearing. Surely the argument that my honourable friend has just advanced in his question would only emphasize what I have already said, that the provinces, especially his own, desire the Federal Government to assume the whole burden and afford the relief to the aged which they must think is needed.

With reference to the cost, the Federal Government's proposal is to bear 50 per cent. I know that it is improper, perhaps impossible, to initiate in this Chamber any legislation that means the levying or the increasing of taxation, as this measure does; for the reasons already outlined. I do not intend moving any amendment; but my own view is that the Federal Government would have been well advised if they had framed this legislation so that the federal contribution would be the same in all provinces, regardless of the action that any province itself might take. Time will not permit me to give in detail the reasons, but may I illustrate by one simple case? Under this Bill a person must have been a resident of Canada for twenty years, and must have been a resident of the province in which he resides for five years, before he is entitled to the benefits this law provides. It may be that the province in which he resides has not come into the scheme at all; therefore he gets no benefit. He may have lived for nineteen years in a province that has come into this scheme, and for some reason or other he may move to a province that has not come in: he does not get anything. So the Bill seems to me to be very unequal in its application. The inequalities are almost immeasurable. The Government might have found some scheme which would have dealt more equitably with the people in all parts of the country, but my thought is, let this Bill become law and these inequalities will quickly be discovered. All these difficulties will face the Governments, both Provincial and Federal, and their representatives are to sit together and try to find a solution. Is not that the sensible, progressive, logical thing to do? If they can find a solution, well and good; if they cannot, then the several hundred thousand old people of this country, and many of the younger ones who expect to be old, will condemn this Chamber if it kills this Bill, and the Government will say there is no necessity for a conference now because again the Tory Senate has killed this legislation. I am therefore strongly of the opinion that we ought to pass the Bill in its entirety, just as it is. This thing was conceived in dishonesty—

Hon. Mr. SCHAFFNER: In iniquity.

Hon. Mr. ROBERTSON: I would not say in iniquity—in dishonesty; and now it would not embarrass the Government very seriously if this House did what it did last year, and relieved them of the obligation of facing the people and giving them a Pension Bill.

Hon. PASCAL POIRIER: Honourable gentlemen, I fully agree with what has just been said by the ex-Minister of Labour (Hon. Mr. Robertson). I believe we should put this Bill through as it comes before us, holus bolus, in order that the Government should have an opportunity of applying it. I hope they will make a success of it. It may be all claptrap, as my honourable friend from Winnipeg (Hon. Mr. McMeans) has said; but let the Bill go through and it will be judged by its results.

I was not here last Session when the Pension Bill came before the Senate and was rejected, but I unofficially and with due respect, regretted its rejection. This year, when my health permits me to deliberate with you, I am taking the stand that I would have taken last year, and am supporting the Bill. The main reason why I am supporting this Bill is because it is essentially, in principle, a money Bill, and the Senate should reject no money Bill that comes from the other House—

Hon. Mr. DANIEL: What! That is a new doctrine.

Hon. Mr. POIRIER: —except it be tainted, extravagant, or encroaching upon the rights of the Provinces.

We stand pretty much in the position of the old courts of equity, which had no jurisdiction in taking up and reviewing a case passed upon by a court of law unless it was fraught with deceit or fraud. I say this Bill may be in-

opportune, previous, uncalled for; it may be loaded with all the objections that are made against it; the fact that it is a money Bill, and that it emanates from the other House from which all money Bills do and must emanate, should be a sufficient passport for it to go through this House unchallenged.

It may be a mistake. The House of Commons has the constitutional right to make mistakes, and the Lord knows that this is not the first one they have perpetrated, if it be a mistake. Let us not forget that the other House represents directly the taxpayers of this country, while we—what and whom do we represent? Each of us holds his patent from the Crown, therefore it is hard to say that we directly represent the people, the taxpayers. Let those who represent them have the control of the finances of the country, and let us not step in and put on our veto except in cases of great gravity.

Now it is six o'clock. I will not go on with any more remarks; it would be idle; what I would say would be mostly repeating what has been said before in better language. I will resume my seat by saying that I believe there is nothing wrong in the principle of this Bill. It simply aims at bettering the condition of a certain class of our people at the expense of the treasury. Let us make the experiment. The attempt has been made before. It has been tried in England, in Australia, and some few other countries. The Christians of the primitive Church had it: they put all their possessions together in order that the needy, mostly represented by the elderly brethren, might be better cared for and assisted in their old age. This is the principle of the Bill.

It is idle to say that this Bill is revolutionary, that it smacks of Sovietism, or radicalism, as I have heard it said. It does nothing of the kind. It is an altruistic, philanthropic Bill worth putting to the test; and, if it is to be put to a test, Canada, a young country highly civilized, and I might say Christianized—a country unfettered by traditions hallowed and hoary, a country newly garbed in a Magna Charta, with a tissue so delicate that it is hardly visible to the naked eye—should make the attempt. Canada stands in the van of civilization, and if there is any legislation tending to improve the fate of humanity or a part of humanity, we have the right and I believe the duty of putting it to the test.

My opinion is that we should pass this Bill as it is, unchanged, because if it is changed that action will be interpreted against us and the best of our sentiments of good will towards the Bill will be misconstrued, and we will be represented as standing in the way of the progress of this country. Let us not fall into that trap. Let us pass the Bill which is assumed by the Government, I hope in good faith. Let them try the application of it, and when it is being applied we can better see its defects and amend it if necessary.

Hon. Mr. McLENNAN: I move the adjournment of the debate.

Hon. Mr. DANDURAND: I was ready to proceed with the Bill until we reached a vote on it this evening, but I hear that many members of this Chamber, knowing that the other Chamber takes a holiday on Wednesday evening, would like to do the same. I notified them that we should have to quicken our pace at a certain moment if we wanted not to delay the legislation to come from the other Chamber.

Hon. Mr. BEIQUE: Why not proceed?

Hon. Mr. DANDURAND: I am ready, but I am in the hands of the Chamber, and I am strongly impressed with the suggestion that we should adjourn at 6 o'clock instead of continuing this evening. My honourable friends know that I am never in the way of what seems to be the general will of the House. If there is really a desire on the part of the vast majority that we should not sit this evening then we will take our adjournment, but if needs be honourable gentlemen will remain here until Saturday.

Hon. G. G. FOSTER: I think the honourable leader should adjourn until to-night. Many honourable members want to go home for the end of the week, and they have made their plans to go, under the arrangement we made last week. I think we should sit to-night.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. McLENNAN: Could we not sit to-morrow?

Hon. G. G. FOSTER: No; to-night. There are Committees to meet to-morrow morning.

Hon. Mr. DANDURAND: Six o'clock.

At 6 o'clock the Senate took recess.

The Senate resumed at 8 p.m.

Hon. J. S. McLENNAN: Honourable gentlemen, before carrying on in so far as I can personally make any contribution to this

debate, I would like to read a couple of sections from the Bill, prefacing them by what was said by a Minister of the Crown, Hon. Mr. King, in dealing with this matter in another place.

Hon. Mr. DANDURAND: The honourable gentleman should rather tell us that he read it in a newspaper.

Hon. Mr. McLENNAN: It is the House of Commons Debates.

Hon. Mr. DANDURAND: It just happens that that is outside the rules; therefore I was suggesting that the honourable gentleman should see it in the press.

Hon. Mr. McLENNAN: No doubt you are all familiar with the statements made by the gentleman to whom I have irregularly referred, and for which reference I apologize.

I would like to call the attention of the House to two clauses in this Bill. The first is clause 3:

> The Governor in Council may make an agreement with the Lieutenant Governor in Council of any Province for the payment to such Province quarterly of an amount equal to one-half of the net sum paid out during the preceding quarter by such Province for pensions pursuant to a provincial statute authorizing and providing for the payment of such pensions to the persons and under the conditions specified in this Act and the regulations made thereunder.

In other words, there is a mandatory direction here on the Province to pay such persons under such regulations as the Parliament of Canada sets up, and in which the Province has no voice.

The second clause is one next to the last, number 19. That I shall not read. It begins with paragraph (a) and goes on to paragraph (r). It specifies the things in relation to which the Governor in Council, under the authority given by this Act, may make regulations, and it covers the whole scheme of contributions, of payment of these pensions, and leaves the Province absolutely no power to deal with the matter in any respect.

It seems to me that this is an extreme invasion of the rights of the Province. I speak with modesty, I hope, because I am not a constitutional lawyer.

Reference was made this afternoon to three or four Acts of previous Parliaments, in which various gifts, for roads, for technical schools, and so on, were given to the Provinces of this Dominion. In those cases the gift was made under certain conditions, and in making those gifts the Government of Canada simply established certain conditions, a certain inspection, to see that the money that was given was applied to the purposes for which it was given.

The present case seems to be exactly the opposite of that. The Dominion Government controls everything, and it practically insists on a contribution of 50 per cent being made by the Provinces. I think there are many here who cannot look on that as a well-considered and proper course of action on the part of the Government, and who believe that this legislation was not adequately considered; and I for one do not feel that I can support it by voting in favour of it.

There is no point in going over various matters that have been adequately discussed in this House this afternoon, and many of which were dealt with in a far better way than I could hope to do. I am bound to say that whatever form this legislation, which is for the benefit of those who have fallen by the way in the conflict of life, may take, I think we all realize that in some form or other they should be protected; and it may be by the Dominion Government up to a certain point. I feel that the contributory element is a most important one, and that we will go, and go much more rapidly than the United Kingdom did through the various courses of benefaction, from a gift to a contributory scheme.

I found that when the honourable member from Montarville (Hon. Mr. Beaubien) was speaking this afternoon with the eloquence and fervour of which he is capable, and which I cannot hope to emulate, my mind had been running on much the same lines as his, namely, the advantage, when a scheme is finally worked out, of utilizing the methods, and possibly the mechanism and personnel, of the companies which have done such extraordinary things in the development of group insurance. I think probably few of us realize the extraordinary rapidity with which that system has won a place for itself in the life of the people of Canada. I am told, on what certainly ought to be good authority, that there is not a wage-earner in the district of Three Rivers, for example, who is not protected by group insurance. I am told also that in the town of Levis there are many more policies of one type or another covering the same ground—not insurance against death—than there are people actually living there. That shows that our people are not devoid of thrift, and that they have, as we know, the intelligence to take advantage of schemes of this kind which are properly laid before them.

We all know the munificent provision which the higher class of wage-earners make for the aged; and, whether the Government does it, or in whatever way it may be done, I trust—and in this I agree with the honourable gentleman from Montarville (Hon. Mr. Beau-

bien)—that a most careful and exhaustive examination will be made of the methods of group insurance and similar schemes in order that we may get the benefit of them. The Government already has an admirable system of annuities; but a few notices occasionally in the favoured press, placards in post offices and custom houses, will not induce people to take advantage of them, excellent though they may be, to the same extent that they would if there were trained people with the stimulus of a reasonable profit to themselves putting before the public information with regard to this method of providing for the future. For example, I spoke a moment ago of the tremendous growth of group insurance and gave some instances. In 1919, when that system began to any extent in Canada, there were $11,000,000 of group insurance in force. In 1925 there were $141,000,000 in force. In other words, the amount had increased about thirteen times in six years, which is a stupendous growth, showing admirable success in converting people to see that need and take advantage of the scheme, and begin to provide for the contingencies of life.

A somewhat extended question was asked this afternoon in reference to the practice in the United States, where there are only three States that have anything in the way of old age pension—two western States and Pennsylvania. Anyone who has read the better class of American periodicals within the last year or two must have been struck by the number of articles written by people of importance, dealing with the danger to the people of the United States in the habit, which is rapidly growing there, of attempting to do things through the federal Government which ought to be done by state Governments. Many people who are thinking seriously about it are warning their fellow-countrymen that this is a bad course to pursue. The last article I saw is in a magazine called "Nation's Business," published by the Chamber of Commerce of the United States. It is an article written by one of the best-known American Senators, Senator Borah, who entitles it, "The Cancer of too much Government." The editor of the magazine says this, about the article:

> We are weakening the fibre of our political life. There is always someone ready to suggest that the federal Government take charge of our every activity, from birth to death.

From Senator Borah's article I quote:

> No one is better aware than I how hard it is to resist the appeals which are made in the name of humanity for the support of some of the legislation to which I refer. It seems flinty-hearted to oppose measures having such meritorious objects, for example, as the abolition of child labour, but the federal Government is not the agency for such purposes.
>
> The problem is one of public education. The people must be taught that in encouraging the centralization of their affairs in Washington they are digging the grave of the American Government as it was conceived by the Constitution-makers.
>
> They must learn that, in looking to the national capital to cure all their ailments, they are weakening the fibre of true citizenship and destroying the self-reliant spirit of Americanism without which this republic cannot endure. And we in Congress must stop heeding every little group which, like the Tailors of Tooley Street, solemnly petition us as "We, the people of the United States."

That is the attitude of very many American people of importance and of patriotism in reference to the constant appeals to the federal Government to do things which really lie within the province of the State.

That tendency is not so highly developed in this country, and there are certain things which, for the sake of unformity, may possibly be done by the federal Government rather than by the provincial Governments. Personally I believe we would develop more self-reliance and independence, and have one Province learning from another, by the experiments they make along any new lines, rather than by turning to the federal Government to do things which each province should take up and do, not only to the best of its ability, but in harmony with the traditions and methods to which their people are accustomed. The temperament of the people, the morale, will produce better results in Quebec, Ontario, Nova Scotia or wherever it may be, than will a uniform plan which is modified here and there in order that it may go from coast to coast. While not entirely perfect for any one province, it may at least satisfy all of them, and work with a reasonable efficiency in all.

My own preference would be for leaving this legislation to the provinces. As far as I know there is no province where there is not now adequate and handsome provision, either through municipal or provincial institutions or by the countless myriads of religious, philanthropic and benevolent organizations. Even if we got this old age pension scheme, while it would relieve those other agencies of beneficience that are now working admirably, they would have to be left in existence, and they would practically cost as much as they do at present, because the relief to them would not be sufficient to allow them to go out of existence.

I notice in the report of 1925, where 135 questionnaires were sent out to various mayors—and incidentally I may say that the demand for this legislation brought responses from

only 30—one of them that was quoted here said: "Do something for deaf people." The deaf, dumb and blind people falling by the way, not reaching the age of 65 or 70, will all have to be provided for. The scheme of old age pensions, if is it to be carried out by the Dominion Government, ought to be taken up only after the most careful consideration. It does not speak well for the constructive ability of the Parliament of Canada that we should definitely and designedly and straightforwardly say: "Oh, well, we will just start this as a rough block, and then gradually we will hew it into shape."

This Blue Book contains information which is still quite applicable, and I agree with the suggestion that every source of information should be sought. The people who know conditions in each province, the people who can speak for those provinces, should be asked to give the benefit of their knowledge to this Parliament, or the Government, or a Committee, so that the scheme may be shaped in proper fashion, and put into effect. We should not go fumbling in the way that is suggested in reference to this Bill, assuming that the Bill is not right, but that it is merely a beginning, and that little by little we will improve it. Much as I would like to see the needy people of Canada obtain assistance—and there is no one of 40 who can be sure that at 70 he may not need assistance from someone—I cannot see that this Bill is a proper and effective step towards carrying that out.

Hon. G. G. FOSTER: Honourable gentlemen, in a few words I wish to express my opinion with regard to Bill 70, and give the reasons why to-day, as at the last Session, I am not able to support this legislation. This Bill is known in the country as the Old Age Pensions Bill, and if you ask a man or woman in my province which is the only place for which I am going to speak, what that means, you will be told, without exception, that it means that the King Government had got a lot of money together, and had decided to hand it to the old people, who were all ready to take it, and incidentally to support the source from which it came, and then it was taken away by the Tory Senate.

Honourable gentlemen, I say that the Bill as it came before us then, and as it comes to-night, is not calculated to bring the relief that those people believed they were going to have. It means that the Parliament of Canada goes to the provinces and says: "If you contribute in connection with this legislation, we will pay the balance." I believe, there is not one province in this Dominion where that legislation will be accepted; but I only speak for the Province of Quebec. That Province has old men and old women, and people who have been unfortunate, but they are all comfortable. Some of them do not know how comfortable they are. They are not rich.

An Hon. SENATOR: They are Swedes.

Hon. G. G. FOSTER: No, they are not Swedes; they are first-class Canadian stock, and they are provided for by institutions that have existed for ages and generations. They are provided for by municipalities, by the generosity of their neighbours and friends, and they stand to-day perfectly able to weather the storms with which they are being threatened, and the old people of Quebec do not need this legislation.

Hon. Mr. STANFIELD: May I ask a question? I have noticed in the streets of Montreal different people begging—licensed beggars. Are they taken care of?

Hon. Mr. CASGRAIN: Certainly; they are best taken care of.

Hon. G. G. FOSTER: I say that there may be some poor men in the Province of Quebec who would receive the generosity of my honourable friend. That man is not on the street as a beggar, he is there because he prefers to sell pencils or other articles, in order to help himself; but there are in Montreal institutions to which blind men, Catholic or Protestant, can go, where they can be comfortable and be warm and fed, and they do not need to beg on the streets of Montreal any more than they do on the streets of Ottawa or anywhere else in Canada.

Hon. Mr. CASGRAIN: That is right; they make more money, $5 or $6 a day. I offered to keep one of those men in a institution, and he refused.

Hon. G. G. FOSTER: I yield to no man in this House, or anywhere else, in my desire to see old and unfortunate men and women assisted and provided for; but I say that it is going to do more harm to young and middle-aged men of this country to pass legislation by which they will be told that if they are lazy and indifferent and reckless in their expenditure they can get about 75 cents a day, or whatever this scheme amounts to, when they arrive at 65 or 70 years. What we need in this country is to encourage thrift, and those elements which go to make up a strong country. We have had poor men in this country in days of privation when it was first settled. We had men who went to the woods, who broke their legs, whose houses were burned, who had misfortunes, just as

men have misfortunes to-day, but those troubles were all met by the help of neighbours. That help was given with good-will by the neighbours, and it was patriotism that helped them to live together in peace and happiness, and the neighbours themselves were helped in many ways by the assistance they gave to the unfortunates.

What we need to do in this country is to create a desire on the part of our people to pay their debts, to stop all the lavish expenditure which is the curse of Canada to-day in every province in the Dominion—expenditure which means national disaster at some future time. We should learn not to talk about those matters that divide us, and agree more on those on which we can unite, and co-operate in the development of our country. That is the spirit which we should inculcate in the minds of our people, and not encourage them to go to the public crib for help if they do not attend to their own business, but rather do what they should as descendents of the hardy men who originally settled the country.

I agree with every word that my leader has said in regard to this legislation. I spoke and voted against this Bill before, and I intend to vote against it again, because I believe that the principle of it is wrong and unhealthy. Somebody said to me this morning that everybody in the country was in favour of it; that everybody wanted it; that down in Quebec there might be a few who did not, but that here in Ontario and in the West, as well as in the lower Provinces, the country was swarming with people who wanted it. I am going to close the few remarks that I have made by reading to this House an opinion. This is not the opinion of a lawyer, it is not the opinion of a politician; it is the opinion of an editor who has behind him the best element of the farmers of the Province of Ontario. I want to read to this House from the Farmers' Sun of March 17, 1927:

The Pensions Bill

It is to be hoped that the Senate will again reject the bill for old age pensions, which has passed the Commons. The measure is pushed by the labour unions, who have long had their own way, and by the Communists, who seek by all means to distribute private property or capital. It is based on the disputable assumption that society owes everyone a good living. That is an assumption, which has no warrant, at all events, in natural law much as it may appeal to the prevailing sentiment of the day. It is not clear that in the long run old age pensions will do anyone any good. It will raise wages, reduce the profits of industry and diminish industry and employment. Its tendency will be to consume savings and capital and to render the country incapable of competing with its more virile neighbors. However, the experience of England and Germany is not convincing and it must be admitted that the world has come a long way and done very well by requiring every man to look after himself. An unanswerable argument against the enactment of the bill at this time is that the country is now so overburdened with debt and taxes that it cannot support a new levy. The Senate may, therefore, justify rejection on the ground that the time is not opportune and will not be opportune till the debts have been reduced and industry is again encouraged by sufficient rewards.

I submit to this House, the above opinion of a friend of mine, who is an active farmer, a man who stands high in the councils of the farmers of Ontario, as an example of the statement that would be made by the farmers of our province with regard to this legislation if they were here to vote.

I shall vote against the Bill.

Hon. N. A. BELCOURT: Honourable gentlemen, I am impelled to say a few words because of the attitude which I took on this Bill when it was here before. Before I do so, however, may I venture to offer my congratulations—and I hope I shall not appear impertinent in doing so—to the two gentlemen who have last spoken on this Bill. They have spoken with moderation, and have discussed the Bill itself on its merits. I confess that I was—I was going to say shocked, but I will say that I was very disagreeably disappointed this afternoon at the spirit evinced by honourable gentlemen opposite in approaching and discussing this Bill. I think we were given this afternoon an example which I hope will not be repeated. With one exception, I think I may say that every honourable gentleman on the other side who addressed the Senate this afternoon did so in a partisan spirit and from a partisan point of view. I had hoped along with a great many other members of this House that the Senate had once and for all given up the idea of discussing Bills from the partisan point of view. I was therefore disagreeably disappointed, I say, in having put before us an example to which I must take exception.

There was a question of jurisdiction raised by the honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton) about which I should like to say a word. It does not appear to me that there is any difficulty with regard to that. This Bill will not impose on the Provinces any obligation whatever. The Provinces are left perfectly free to join with this Parliament in aiding or assisting in the carrying out of the measure, but they may with absolute liberty completely ignore the Bill and take no share in its administration and execution.

This Bill is not different from other similar Bills that have gone through this Parliament:

I may mention the Bill to give aid and assistance in road making which we had before us a few years ago. This Bill like the highways Bill is merely offering assistance to the Provinces, without in any way interfering with their jurisdiction.

I have always entertained the idea—and the longer I live the more attached I become to it—that governments ought to confine themselves to governing. The people, I believe, especially on this continent, will be better off, will progress more steadily and more permanently, if governments confine their operations to what are really governmental functions. We are constantly departing from that safe and good rule.

As was pointed out by the honourable member for Cape Breton (Hon. Mr. McLennan) a few moments ago in the article which he read, we in America are expecting our governments to go out of their natural field and endeavour to do all sorts of things not of their concern and which should be done exclusively by the citizens. Honourable gentlemen may not think it quite germane to discuss here the policy of government ownership or government operation. But it seems to me that such questions are on a par to a considerable extent with this kind of legislation. Why, we have got to such a stage in this country to-day that the state is managing and operating not only railways, but hotels ,and steamboats, and many other business enterprises, and indulging in many operations, commercially and financially, which really belong only to the people.

Hon. Mr. CASGRAIN: Selling liquor.

Hon. Mr. BELCOURT: And selling liquor. I quite agree with my honourable friend in thinking that that is one of the things that does not belong to any Government, and I cannot concur in what has been done in most of the Provinces in that particular direction.

We are gradually going back to the middle ages; we are gradually going back to the common mill and the common bull; "le taureau banal." How far and how long are we going to carry on as we are now doing.

Governments were not made to compete with subjects in matters of business and trade. Just imagine what may happen in this country in a very short time with its immense mileage of railways and the innumerable employees engaged in their operation and in other incidental employment. I do not think it is stretching the imagination very much to think of the day when one-half of the nation will be at the service of the other half. Do you realize, honourable gentlemen, what dangers are implied by such a situation? What is to prevent, on occasion, this half of the nation from combining and assuming the Government of the country for its own benefit? I think the time has arrived when we must try to get back to the sound and sane policy of governing the people and not competing with them.

As the honourable gentleman from Montreal (Hon. G. G. Foster) has pointed out, under this measure we are usurping the functions of charitable and social institutions of different kinds which in the past have always been found quite sufficient to provide for the needs of old or infirm people. Why do that? Why not allow the citizens of Canada to continue to perform the social duties which as good neighbours and good citizens they owe to themselves mutually? The societies organized for that purpose, it seems to me, have completely and well fulfilled all the necessities of the case. I am quite sure, speaking of the Provinces of Quebec and Ontario—and in this I quite agree with the honourable gentleman from Montreal (Hon. G. G. Foster)—that there is in these provinces every possible means of affording all reasonable assistance to those who need it, whether because of old age or infirmity, incurable disease, or anything of that kind. Again I repeat, let the citizens do that. I see no reason why the Government should assume any share in it at all.

Let us think of what is happening in the Mother Country to-day. Is there anything more dispiriting or more discouraging, than what is being done to-day in England—handing out doles by the million to millions of people most of whom are quite able to work? And that in a country like England, which has given the world the best example of individual activity, enterprise, and success, a country which has practically taken possession of the world commercially! How long is it going to last? To what length is it going to be carried? What about the initiative of the people? What about ambition; what about individual initiative? If you are going to provide for everybody who is unable or unwilling to work, or who may meet with some injury, there is no limit to what you will be compelled to do. May I remind honourable gentlemen also that, according to the law of some of the Provinces—in the Province of Quebec, for instance, where it has always existed as part of the Civil Code, and in the Province of Ontario, which I was glad to see recently adopt similar legislation—there is a duty cast on relatives, especially on children, to look after their parents if they are in want. Why should the State take away from the individual a duty which the law imposes upon him?

Why should the State discharge that duty in his place? Nobody in the Province of Quebec or in the Province of Ontario need look for public charity; everyone has a perfect right to ask that his children and relatives shall give him the necessities and requirements of life and the law has provided a legal remedy. It is besides a natural duty imposed upon us by the law of nature; and this duty has been sanctioned by the law of man.

I think I have said all that I need to say. I feel very much inclined, as I have felt before, to vote against the second reading of the Bill. I propose, however, not to do so. The honourable gentleman from Montarville (Hon. Mr. Beaubien) and my honourable friend who sits next to me (Hon. Mr. Beique) and in whose judgment I have the greatest possible confidence, have opened a new vista to me. They have both held out to us the possibility that, if we were to inquire from the insurance companies of Canada, we might with their assistance devise some means of doing for our people all that it is proposed to do under this Bill. I have not absolute confidence that the insurance companies would be willing to do, or are capable of doing, anything of the kind. I am very much afraid that they are not greatly interested or particularly concerned about men who are, or are about to be seventy years of age, whether rich or poor. If they are rich, companies will not give them insurance because of their age; and if they are poor, they have not the money to pay the premiums. However, there is a hope and a possibility of something being done in that regard, and I am not disposed to close the door completely on an investigation of the problem along those lines. I will vote for the second reading of the Bill in order that it may be referred to a Committee which will hear the representatives of our insurance companies and will weigh and consider the proposals that have been placed before us by the honourable member for Montarville (Hon. Mr. Beaubien), and the honourable member for de Salaberry (Hon. Mr. Béique).

I thought I owed it to myself and to the House to explain why on this particular occasion I felt called upon to vote in favour of the second reading, because on a former occasion I voted differently.

Hon. Mr. McMEANS: May I ask the honourable gentleman a question before he sits down? I think he referred to a partisan feeling on the part of all the members on this side of the House.

Hon. Mr. BELCOURT: I did not say all.

Hon. Mr. McMEANS: I may have been wrong, but I took the remark as applying to myself. I was going to ask the honourable gentleman where the partisanship comes in. He is on that side of the House, making a speech against the Bill introduced by his Leader, and I am voting against my Leader. Last year I do not think the honourable gentleman voted at all; last year I voted against the Bill. Where is the partisanship?

Hon. Mr. BEIQUE: I think the honourable gentleman read between the lines.

Hon. Mr. BELCOURT: What I said was, and I repeat it—and I said it deliberately and after consideration—that honourable gentlemen opposite, with few exceptions, had approached the Bill with the idea—and they so stated—that it was brought before the public and submitted to Parliament for election purposes. That, I think, was repeated, and often repeated. That, I think, is discussing a Bill from a partisan point of view, and I repeat what I have already said, that I hope this is the last occasion on which we will have an example of that sort.

Hon. Mr. McMEANS: I want to say, with all due deference to my honourable friend, that I think he is the last member of this House who should teach us in regard to partyism.

Hon. Mr. BELCOURT: If my honourable friend will point out to any statement I have ever made in this House of a partisan character I will admit what he says. I defy him or anyone in this House to say that in the long years I have been here I have ever made anything in the way of a political speech.

Hon. Mr. McMEANS: Does that apply to your votes?

Hon. Mr. BELCOURT: My votes, too.

Hon. Mr. STANFIELD: You voted for the Bill last year.

Hon. JOHN McCORMICK: Honourable gentlemen, last year I voted against this Bill. The honourable member for Hamilton (Hon. Mr. Lynch-Staunton) has doubts of the jurisdiction of this Parliament to pass a measure of this kind. My honourable friend from Ottawa (Hon. Mr. Belcourt) says there is no obligation placed upon the provinces by this Bill; but surely he knows that the Bill is based on the consideration that the provinces shall co-operate with the federal Government, and that if the provinces do not join the federal Government in a monetary way the Bill will be inoperative, and there would be no use in passing it at all.

I am going to refrain from giving anybody reason to say that I am acting as a partisan

in relation to this Bill. I am inclined to believe, from the situation last year when the Bill was introduced, that there was ground for thinking that the Government did not desire that it should be passed. In a measure of this importance we would expect that some effort would be made by the Government to obtain the judgment and opinion of the men in charge of the Legislatures of the provinces which were expected to co-operate. But we have no record of anything that the provinces said last year, or that they are prepared to enter on the scheme if this Bill passes. There is no evidence this year of any legislation by a Legislature such as is necessary to enable a province to co-operate; no evidence that action has been taken by any provincial Government in regard to co-operation. I understand that a resolution went through the Legislature of British Columbia, but no action could be taken on that resolution if this Bill goes through.

Hon. Mr. DANDURAND: There was an Act passed.

Hon. Mr. McCORMICK: But that is only one province. I am very much in sympathy with the plan of assistance to people whom this measure designs to help, but I approve of the suggestions that have been made to obtain further information and advice in regard to this measure, and to add provisions with regard to contributions from the men and women who to-day would be beneficiaries under it. These are not provided for in the Bill, which is on an entirely different principle.

I am convinced that if amendments such as those suggested were put in this Bill, they would not be entertained in the other House, or adopted by the men who fathered this measure in the other House. We all know the circumstances. There was a critical time of strife in the other House when this measure was suggested. If it had gone through last year, or if it goes through this year, there will not be anything worth while paid out under this Bill, and those who expected aid from it will be disappointed. The men who promoted the Bill do not represent a body of people in this country who are prepared to contribute to it; they are representatives of a body of so-called labour who do not want to encourage or practice thrift; they are men who work to "Burn the candle at both ends; spend all you make, and when you are 65 or 70, and unable to work, go to those people who have been leading well-ordered lives, who have been practicing the good old habit of thrift."

I am opposed to this Bill because my own province of Nova Scotia is unable to take advantage of this Bill, even if they wished to do so, by reason of the financial situation. They had a deficit last year of something like $870,000, and they are budgetting this year for a deficit of $1,000,000, and even if they get the assistance that is promised from the Government here they will scarcely be able to balance their budget. Besides that, I believe that in Nova Scotia we have a larger number of old people per thousand than any other province, and on account of this larger number of men who would benefit under this Act if it went into effect, co-operation by Nova Scotia would involve a very serious strain, and I know that the Province is not prepared to enter on it on that account.

I cannot see how any body of men in the Government of the country should bring in a measure of this importance and call upon the provinces for their co-operation without previously consulting the provinces, and this has not been done.

But I propose to support this measure, for the reason that I believe if it is passed it will prove a delusion to the people who expected something. While I do not believe it is right to pass a measure like this, that is fooling the people—and I believe it will have no other result whatever—I will support the Bill in order to let it go through, and thus let the people in the country who are expecting benefits from it see what a delusion and hollow mockery the whole thing is.

Then there is the other reason, that I believe that some kind of assistance is proper, provided it is given under suitable safeguards. I would support a measure of that kind if provision were made by which a man or woman who hopes to take advantage of this measure in his old age would in some way contribute to the fund that would provide for him at age 65 or 70, or whatever other age was thought proper.

I will vote for this measure because it will open the eyes of the people of this country to the lack of merit in the Bill, and also for the purpose of having the legislatures deal with the problem by passing a sensible and reasonable measure that will be of some advantage to those whom it is intended to aid.

Hon. F. B. BLACK: Honourable gentlemen, this seems to be a confession of faith we are having to-day.

Hon. Mr. CASGRAIN: Westminster Confession.

Hon. Mr. DANDURAND: This is the Lenten season.

Hon. Mr. BLACK: A great many reasons are given by various members as to why they should or should not support this measure. I do not intend to occupy much time. This measure, in the same form in which it is presented to-day, was before this House last year, and I then gave the reason for the faith that was in me, from the Maritime point of view.

I opposed the Bill last year, and I oppose it this year. I did so last year because I believed it was bad in principle, because there was no demand for it, and because it was not, from another standpoint, an old age pension scheme. I oppose it on the very same ground to-day. In the minds of many of us there may be a question as to whether a pension is a right or wrong thing, but that is not worth arguing, because we have passed the stage for Anglo Saxon countries, at all events, are very much interested in old age pensions, and I am quite convinced that Canada will follow along the same line. However, this Bill is not an old age pension Bill. When it was introduced in another Chamber the gentleman who introduced it apologized for it. I have a great deal of sympathy for a man who finds himself in a position when he has to sponsor a movement with which he is not in sympathy.

Turning to Hansard of last week, note the remarks of the honourable leader of this House, when he introduced this Bill, he said:

> For my part, I confess the honest opinion that this is rather what I would call provisional legislation.

He goes on to say:

> I say this is an emergency or provisional measure which would necessarily accompany or precede a contributory Bill.

He said, further:

> Since a conference of representatives of the provinces has been announced for the coming summer, I believe that they will be asked to come in under this scheme, and at the same time to study or prepare for the next plan, which would call for the people contributing to those pensions.

Thus it can be seen that the people who sponsor this Bill in both Houses have not a very good word to say for it. I am entirely in sympathy with the men who introduced the Bill in both Houses, for I have nothing good to say for it. I should like to have seen the Government bring down a pension Bill which contained features that would make it possible for the various provinces to take advantage of it, and which would be of real benefit to those people who need assistance throughout the length and breadth of this land. That has not been done, and because it has not been done I cannot vote for the Bill.

I have not the slightest desire or intention to attempt to change anybody's vote; I am simply giving my own reasons for voting against the Bill. I have every sympathy for the large number of members of this House who felt convinced that they were doing right in not passing this Bill, but who to-day think that they are doing the right thing in supporting it. But while I sympathize with them, I am not supporting the Bill, and I do not believe we will advance good legislation, by promising to support what is not right, or promoting that which is not good legislation; and no man can stand up here and call this good legislation. It was not called good legislation last year by any man who spoke in favour of it, and it has not been called good legislation to-day; it is merely an apology.

We may say that this is purely a provincial matter. I am not at all interested in that, except to say that if we are going to have an old age pension scheme it should be primarily fathered by the Federal Governments and contributed to by the federal Government, or it ought to be purely a provincial scheme, put into effect by the provinces individually, if they so desire, and taken care of by those provinces themselves; either one or the other plan. But what does this Bill do? It goes to the provinces and tells them they must take this, whether they want it or not. That is what the Bill means. True, it does not say that in the text of the Bill, but it practically says to Nova Scotia: "You must tax yourselves $1,000,000 next year if you adopt the principles of this Bill;" it says to New Brunswick: "You must tax yourselves $800,000 next year if you want to get the advantage of this Bill." If the Bill did not say any more than that it would not be so bad, but it says to every province in Canada: "We will make you contribute to those who do come in." That is not preserving provincial rights, and it is not that quality of British justice that we expect from the Parliament of Canada.

For these reasons, and for the reasons I gave last year in very much more detail, I am going to give my vote again this year against this Bill.

Hon. SMEATON WHITE: Honourable gentlemen, as the subject of this Bill has been very well covered in this debate, I will state my position in a very few words. I have read the Bill very carefully, and cannot see that, as drafted, it is going to benefit any one in the way of old age pensions.

In voting against this Bill I would like to inform the honourable member for Ottawa (Hon. Mr. Belcourt) that with me this is not a matter of politics; it is a matter of principle entirely. I think the principle of the Bill is wrong. I agree with my honourable friend from Alma (Hon. G. G. Foster) that so far as our province of Quebec is concerned there has been no demand for it, and so far as I have learned by personal interviews with at least two or three Prime Ministers of other provinces, that they have not made any demand for the measure, nor do they want to.

Now, it is one of the functions of this Chamber, as I understand it, to protect and conserve the rights of the provinces; and if there is no demand from the provinces, and this Bill has been more or less forced upon them, I think this Chamber would not fulfil its function if it did not oppose a Bill of this character.

So far as I am concerned I will vote against this Bill as a matter of principle; I think it is wrong.

Hon. J. D. TAYLOR: Honourable gentlemen, following the idea put forward by the honourable gentleman from Westmoreland (Hon. Mr. Black) I desire to make a Westminster Confession.

Hon. Mr. DANDURAND: New Westminster.

Hon. Mr. TAYLOR: Having approached this Chamber to-day in the attitude of friendship towards this very important Government measure, I was disappointed at realizing the markedly absent treatment with which the Bill was being received on the Government side, finding that from the great vacant spaces surrounding the Government leader, there was only one lone voice raised in this Chamber this afternoon, or this evening, for that matter, in support of this measure. I recall the scene of last year: the splendid leadership I had then in my attitude at that time of opposition to the measure. I had the unusual privilege of following the brilliant leadership of the honourable gentleman from Toronto (Hon. Sir Allen Aylesworth); of listening to the persuasive eloquence of the leader of the Progressive party in this House (Hon. J. G. Turriff), also sitting on the other side; and finally, capping the climax, there came the sturdy argument of the member from Prince Edward Island (Hon. J. J. Hughes), showing the impossibility of applying the measure to the conditions in his Province. I wonder where that leadership is to-day, and whether I have gone wrong all by myself, or whether the others too have reversed their opinion. I was opposed to this measure last year because I regarded it, to use the vernacular, as a put-up-job on the Labour Party in the House of Commons; I was opposed to it during the election period, because of the conviction that at that time it had become a put-up-job upon the electorate, a measure of cruel deceit to the aged people of British Columbia; and I am opposed to it this evening, although I intend to vote for it, for reasons which I will state.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. TAYLOR: I am opposed to this measure this evening, and I intend to follow the brilliant example set for me across the House, by voting against my expressed conviction, because I regard it now as a put-up-job on the Senate of Canada. If I have the intention of voting for the second reading of the Bill, it is certainly not because of any intrinsic merits, or the sequence of events associated with its presentation here. I have noticed in connection with the legislature of my own Province, and in the argument before another House, that the reason put forward for presenting this Bill now in the acknowledged imperfect shape in which we have it, is the statement, which has been made, that to alter the Bill in any particular would be to risk its acceptance by the Senate. In other words, the promotors of the Bill, having been convinced by the logic offered by the Senate a year ago that the Bill was contrary to the principles held by the members of this honourable body, seem to be determined to make no concessions whatever; not because they think the Bill is perfect, but because an easy way of getting out of the awkward mess is to send the Bill up to this Chamber again in precisely the form in which we rejected it last year, in the hope that it will again meet a similar fate. For my part, taking the good advice offered by an honourable gentleman just now (Hon. Mr. Belcourt), to remove politics from our consideration, I decline to be a party to what I consider to be that brand of politics.

Hon. Mr. DANDURAND: I do not believe that that statement, which is practically the repetition of a statement which fell from the lips of a brother member, is a fair one. In the debates that occurred in another place, objection was taken to increasing the Dominion's share for fear of antagonizing the Upper Chamber, which had baulked at the contribution of 50 per cent, but it was thought that this Chamber would be ready to accept that, but that it would not increase the vote to 75 per cent. I heard that twice, and I

think it will be found in the record. This was not a challenge to the Upper Chamber. The statement was made in a conciliatory spirit with the idea perhaps that the measure as it is, approved as it was by the people generally, would be accepted by the Senate if the charge upon the Exchequer was not larger than proposed last year.

Hon. Mr. TAYLOR: Honourable gentlemen, I too have read the record supplied from another place, and I think I can say with accuracy that I have seen both more and less than has been recited by the honourable gentleman just now. I say that without any desire to give offense, because I did not read the record with the Senate particularly in mind. To my mind, however, it was distinctly a challenge, repeated over and over again.

Speaking for my own Province, I know the matter was put before the Legislature at Victoria in the nature of a challenge to the Senate—a statement that they must overlook the manifest imperfections of the Bill, which are very repugnant to the people of British Columbia, because if they undertook to alter it in any respect they would jeopardize its passage through the Senate, since the Senate would be able to say, "This is not the Bill which was before the people of the Province."

During the campaign in British Columbia, instead of apologizing for the action of the Senate with respect to this measure, we were at pains to make plain to the electors precisely what the measure contained and what it did not contain, with the result that at every meeting at which I heard the subject discussed—certainly at every meeting which I addressed—the question was formally put to the audience whether or not there was a single elector present who would offer to the aged people of British Columbia what the Bill offered. On no occasion was one single voice raised in support of the measure. I am satisfied that the whole attitude of the electorate of British Columbia is one of repugnance to a measure so mean in its provisions as the one put forward in the name of aid to the aged people of Canada.

This Bill in effect offers only a loan to the aged who have any little property, to be recovered by the Government on the death of the pensioner, at usurious interest, compounded annually; and it offers to those who have no little property, and who are absolutely indigent, only what they are getting now from the responsible authorities in British Columbia, because we are a rich and prosperous and proud Province, and provide for our aged poor, and do not allow them to go in want. This Bill offers to the aged people of Canada no more than that—a bare subsistence to those who are absolutely indigent, and a loan to those who have property.

If this Bill goes into Committee, as I hope it will, I would like to discuss the many objectionable features which extend through nearly every one of its clauses and paragraphs. At this stage I will not go into that, but will content myself by saying that I vote for it because I realize that a wrong impression has been created from end to end of Canada that some easy money for the old people has been offered by the present Government, and that this money was withheld from them by the Senate. I realize that that impression is widespread; as has been voiced by many honourable gentlemen here to-day; and I am of the opinion that the only way to overcome that impression is to let the Bill, with all its imperfections, go into effect. When it does go into effect, I am quite sure that the feeling of the people against it will be expressed from end to end of the country. In the meantime, we in British Columbia, where the machinery has been introduced to adopt the Bill, will, I hope, be receiving easy money at the expense of the rest of Canada.

It has been suggested that we should send this Bill to a special Committee in order that it may be amended. Those who make that proposal know, of course, that we cannot amend the Bill; that it would be out of order for this House to add a five-cent piece to the expenditure proposed. The suggestion was made that we need not necessarily deal with it this session; that the amendments might be put off until another session. Well, we know what a hubbub, what a hue and cry would be raised if the Senate were to be a party to anything of that kind. If this Bill does receive its second reading, I am irreconcilably opposed to sending it to any lethal chamber; I want it disposed of in this House, in the full light of day, so that there may be a full record of the attitude and action of every person who takes upon himself the responsibility which he must exercise in voting either for or against the measure.

Hon. J. A. CALDER: Honourable gentlemen, I intend to occupy the attention of the House for but a very few minutes. At one stage of the discussion I thought it might be necessary to speak at some length to point out the objections which I had to the Bill, but so many members have spoken, and the objections to the Bill have been pointed out so clearly, that I do not think it at all necessary. We had this measure before us last session in practically the same terms as we

have it now. I then spoke against the Bill and voted against it, and I intend to do so again.

The marvellous thing in connection with this proposed legislation is that we have had no reply to the objections which have been raised. Honourable gentlemen opposite sat in their places last year, as they are sitting again this year, and with one or two exceptions no attempt has been made to meet the objections that have been made to this legislation. The Government have had a whole year to consider the objections that were placed on record last session, but what have they done? They have brought down the same measure again, and have told us in so many words that it must not be changed in the slightest degree—not an "i" dotted nor a "t" crossed—they have place it before the Senate a second time in exactly the same form, with a view to seeing whether the Senate dare reject it again.

Hon. Mr. DANDURAND: Would my honourable friend show me such a statement as he now makes?

Hon. Mr. CALDER: I read the records of the other House.

Hon. Mr. DANDURAND: By a member of the Cabinet? I do also, and have not seen that statement.

Hon. Mr. CALDER: If the honourable gentleman will read the records he will learn that amendments were proposed, and that it was intimated: "No, not now. It is very desirable that this measure should go through in exactly the same form as last year." I say if that is so, it would appear that there was but one object in view, namely that the measure should reach us in exactly the same form in which it appeared before us last year, in order that we might reject the Bill for the second time—with what possible consequences I cannot say.

Now, we are in a very difficult situation. I do not agree with my honourable friend who has just spoken (Hon. Mr. Taylor). I believe this legislation is bad. It is bad in principle, for reasons which have been stated, and my view is that the Senate will not carry out its duties and responsibilities if it places on the Statute Book a law which we all agree is bad. What has been the argument as to why we should vote for the second reading of this Bill? It is in order that honourable gentlemen on the other side—the Government which is responsible for this bad legislation—might stew in their own juice. I say that is very bad policy; it is very bad in the interests of the country.

If we believe the Bill is bad in principle we should not let it go through, because if it is bad to-day, and goes into effect, and becomes law, gradually that law is going to be amended little by little, and eventually it will be in force in every Province of Canada. I predict that within ten years the people will be paying in the neighbourhood of $30,000,000 a year in pensions. I say it is our duty to consider this matter seriously and not politically, to consider it on its merits; and if the law is bad, to kill it now, no matter what the political consequences may be. That is my view. I think we will make the greatest mistake if we allow this Bill to go through, because little by little it will be changed until the country is saddled for all time to come with financial responsibilities amounting to millions of dollars.

It has been suggested that we should let the Bill go to Committee. That is not a remedy. As has been so well pointed out by the honourable gentleman from British Columbia (Hon. Mr. Taylor), this House cannot change the principle of the Bill. I do not object to old age pensions; not at all; but I do object to the principle of the Bill.

Hon. Mr. BEAUBIEN: Will my honourable friend allow a question? We cannot amend this Bill to increase the amount which the Government will have to pay, but why cannot we amend it to change the principle and have the money paid otherwise? If we do not increase the amount that is called for by the Bill, what is there to prevent us amending it otherwise?

Hon. Mr. CALDER: You cannot change the principle of the Bill. The underlying principle of this Bill is a joint arrangement between the Federal Government and the Provincial Governments for the payment of pensions on a certain basis; and I hold the view that the Provinces should be a party to that, that they have never been consulted, that they are forced into a position that they never wanted to be in, and that eventually, by reason of political pressure, they will have to adopt the measure. I say that if you attempt to embody in the Bill anything in the way of contributory clauses, or to make it a federal scheme, or to adopt any new system, you are entirely changing the Bill.

Hon. Mr. BEIQUE: Is not this Chamber master of the Bill entirely? And has it not power to change it as it likes—to change the principle, if it likes—in a number of senses.

Hon. W. B. ROSS: I would point out to the honourable gentleman that in the Imperial Parliament three years ago, when an amend-

ment was brought in which altered the character of a Bill, the Speaker ruled it out of order; it was in connection with the franchise to women. Substituting a new thing is not an amendment; you must keep your old Bill, and do something to it.

Hon. Mr. BEIQUE: But when we are dealing with the old Pension Bill surely we are possessed with the whole subject, and can deal with it entirely. The honourable member prepared a report, which was adopted unanimously by this House, to the effect that the moment this Chamber has a Bill submitted to its consideration, it has the same power over it as the House of Commons.

Hon. W. B. ROSS: Certainly, but in either this House or the other, any member who introduces an amendment, or calls something which is really a new Bill an amendment to a Bill is out of order.

Hon. Mr. BEAUBIEN: That has a great deal of importance for me, in reference to the stand I have taken.

Hon. Mr. CALDER: Would the honourable gentleman allow me just one moment?

Hon. Mr. BEAUBIEN: Certainly.

Hon. Mr. CALDER: I was in another place the night before last, where this very question came up. An amendment was moved that went to the very roots of the principle of the Bill, and there was a gentleman sitting in a very nice easy chair there who immediately ruled that that could not be done. That was only within the last two days.

Hon. Mr. BEAUBIEN: I understand my honourable friend perfectly well. If, for instance, we have a Bill dealing with life insurance, and we propose to make fire insurance out of it, I understand thoroughly well; that that cannot be done; but in this case we are dealing purely and simply with old age pensions. The Bill provides that so much money required to pay these pensions will come from the treasury. The only modification suggested would be that a part of the money would come from the beneficiaries.

Hon. Mr. BEIQUE: Part only.

Hon. Mr. BEAUBIEN: And part from the treasury. Will my honourable friend pretend that in that case the principle of the Bill is changed?

Hon. Mr. CALDER: I feel quite certain that nothing will be gained by our arguing this matter out even though a Committee were appointed. I agree with the statement made by many of my colleagues, that all we would thus accomplish would be to assist the Government by putting the Bill into such shape that it could not be accepted by the Government. I cannot agree to that.

I have a suggestion: I do not know whether it will meet with approval or not. I am going to vote against the second reading of this Bill. Personally I think nothing will be gained by sending it to a Committee, for that Committee would spend weeks hearing all sorts of witnesses, receiving all kinds of evidence and all kinds of suggestions, and they would bring in such proposals as would never be accepted by the Government or by the other Chamber; so I think we are only wasting our time by moving in that direction.

This is not only a federal, but also a provincial matter. All the provinces in Canada are equally interested, for they must pay half the cost. I think the gravest mistake was made by the Government in dealing with this measure when they did not properly consult the provinces, in the first place. I think the provinces should have been taken into full consultation, and that the approval of the provinces should have been gained before the Government ever attempted to place them in the position which they will occupy if this Bill became law.

Hon. Mr. ROBERTSON: May I ask my honourable friend, was not the recommendation to the other House by the Parliamentary Committee that that should be done?

Hon. Mr. CALDER: If I remember rightly it was, and I think that Committee itself undertook to get the views of the provinces to some extent; but in so far as the Government itself is concerned there has never been, so far as I am aware, any sitting down of the federal authorities with the provincial authorities to consider this measure as it should have been considered before this legislation was submitted to us.

My sugestion is this. Second reading will be given to this Bill, and in due course it will become law. The chances are that it may go to a Special Committee, or a Committee of the Whole House, but it is going to become law, and before that event I suggest that the Government itself should seriously consider the position in which they are placed by reason of the many objections to this Bill not only in this Chamber but outside, and on account of the known attitude of the provinces in opposition to this Bill. Therefore I suggest that when the Bill is before the Committee of the Whole House there should be added to it a clause stating that it should not come into effect except by proclamation of the Governor in Council.

What would be the effect of that clause? Simply that it would give the Government time to consider the whole situation. They have aranged for a provincial conference this year, at which many matters will be discussed, and they will then have an opportunity to sit down with representatives of all the provinces and consider most carefully, as they should, every possible effect of this legislation both from the federal and provincial standpoints. I say this in all seriousness. I consider this one of the most important pieces of legislation with which we have had to deal for a long time, involving enormous sums of money, for this Bill, if it goes through, will be a burden on the people of this country for all generations to come, and not merely for to-day or to-morrow. I say in all seriousness that we should not consider this measure from a political point of view. We should deal with the Bill on its merits, and try to get this old age pension legislation into such shape that all the people of Canada and all the provincial authorities may agree with it.

So I would suggest to the honourable leader on the other side of the House that before this measure finally goes through he should consult his colleagues, and if thought advisable a provision such as I suggest should be put in the Bill. This will give the Government itself an opportunity to reconsider the whole situation and consult the provinces.

Hon. C. E. TANNER: Honourable gentlemen, I am like my honourable friend who has just resumed his seat, in part; I voted against this measure last year. But I intend to vote for it this year; that is where we differ. Last year, having voted against it, I had the pleasure, in Nova Scotia, of being pelted all over the lot, as the saying is, by the supporters of the Government of the day. I got no thanks from them, I am sure. I had the special privilege of being denounced in the Liberal newspapers of the province as one of the men who deprived the old people of Nova Scotia of the opportunity of walking up to the front door of the Hon. J. A. Robb, Minister of Finance, knocking at the door, and being handed out their pension in cold money. Well, so far as Nova Scotia was concerned, we were able to convince the people that instead of cold money, if the Bill had become law they would have been handed out cold stones; and, in consequence, the Government did not increase its support.

I think we all agree that this legislation is unworkable, and is not at all creditable to the Government of the day. They have had a whole year to work out a practical system of old age pensions. I think we are all agreed in this House that a sane, common-sense, practical system of old age pension, including contributions, built on the British lines, would be a good thing; and I say it is not creditable to the Government that they have allowed a whole year to pass without doing anything practical in the matter, but have come back to Parliament with a half-baked measure such as is now proposed.

I do not go so far as my honourable friend, and say that it is a bad measure. I do not think it is an immoral measure, or that it is wicked, but in my judgment it is defective and unworkable. Yet I am not going to vote against it because it is unworkable or defective, for several reasons. I recall that a year ago in this House we rejected a Bill whcih was the same as the one now before us; we gave the Government a year to consider, to think; in the meantime there were general elections in the country; we gave the people of Canada time to think, time to consider, and to judge whether our action was right or wrong, whether our judgment was to be approved of by them or not.

Now, as I understand the argument, it is said that we should stand in the way for all time because we think this legislation is not prudent or that it is defective. I do not hold that view. I say that this Chamber gave the people of Canada a year's notice, a year's time to think; and we gave Parliament, the House of Commons and the Government a year's time to consider. Having done that, I think we can feel that we have done our duty very fairly. If the people have re-elected the same Government and sent them back to power, apparently saying to them: "We endorse your action, and we want you to put through that Old Age Pensions Bill as you introduced it last year," I feel that we have a right to accept the position, and notwithstanding that we may believe the Bill to be defective, I believe we are fully justified in bowing before the judgment of the country as expressed in the general election.

It is said that the provinces have not been consulted. Well, that is true in part, but not true in part. For example, who may say that the Province of Quebec or the Province of Ontario has not been consulted? Are there not 65 men sitting in the House of Commons representing the Province of Quebec? Were they not elected by the people who will have to bear the burden if this measure is adopted? The Taschereau Government does not wholly represent the Province of Quebec, neither does the Ferguson Government wholly represent the Province of Ontario. I do not see how we can shut our

eyes to the fact that the 65 men from Quebec, and the members from Ontario, and Nova Scotia, and the other provinces, represent public opinion and public judgment in their respective provinces; and they have twice deliberately set their seal, unanimously, to the measure which is now before us. So that I cannot justify opposing this Bill by merely saying that the Taschereau Government, or the Ferguson Government, or the Rhodes Government, or any other local Government, has not been consulted in the matter as it might have been consulted.

These are reasons which influence me, although, like other honourable members of this House, I look on this measure as unworkable; but at the expiration of a year's time I am willing to defer to the judgment of the Government, of the House of Commons, and of the country as expressed in the general election.

Anyone who reads British parliamentary history during the period when Campbell-Bannerman and Lord Asquith were occupying prominent positions, and when the House of Lords deliberately set itself to throw out legislation which was passed by the House of Commons at the instance of a Liberal Government, knows that when that Liberal Government went to the country and was again endorsed, and in the following Session sent back that same legislation, the House of Lords put it through as a matter of course, without a murmur. That seems to me to be the situation in which we are placed in this regard to-day.

I do not know that I have anything further to say except this, I am going to vote for this Bill, but like another honourable member of this House I want no hole-and-corner Committee on it. I want it carried through in the broad sunlight, in a Committee of the Whole House. Let every honourable member take his responsibility. I am not willing that when this House closes its doors the Liberal members and Liberal politicians will be able to parade the country from east to west and say: "The Tory Senators threw the Bill out." If there is to be any throwing out we will all take a hand in it, and if there is to be any keeping in we will all take a hand and all take the responsibility, and take it here in the open, through a Committee of the Whole House, where the world can see us, where the world can hear what is said, and where there will be no back door to scuttle out after the thing is over.

Hon. H. W. LAIRD: Honourable gentlemen, I did not intend to participate in this debate, but I have been quietly waiting, as it proceeded, in the hope that we might get some further information upon which we might base our judgment in the vote that is about to take place.

This is a question which apparently is very far-reaching, and the best evidence of that is the length of time it has been under discussion in this House. When the leader of the Government introduced this Bill, I was interested to see how he would put it before the House, in view of the action that was taken in this Chamber on a previous occasion. I listened to him with very great interest, to learn what arguments he would put forth in support of this Government Bill, and at the conclusion of his address, I am still waiting for information which he has failed to give. It was not until I read his speech in the record the next day that I realized how little he had said in support of the Bill. I have his speech here. I fills some two and a quarter pages of the record, and I find that out of that total of two and a quarter pages his remarks in support of this Government measure are confined to merely a quarter of a column.

Hon. Mr. DANDURAND: Did the honourable gentleman expect that I should repeat the fairly long speeches that I made last Session on this Bill?

Hon. Mr. LAIRD: I did not expect the honourable gentleman would repeat his fairly long speeches on the previous occasion, but I did expect that he would elucidate the subject at least to a sufficient extent to carry conviction to the House which had rejected it on a previous occasion. My argument is this, that he not only did not do so, but that out of four and a quarter columns devoted to his address there was a mere quarter of a column that related to this particular Bill, and all of the balance of his remarks was a prediction about something that might come in the future, and which this House is not called upon to decide at this time.

Not having received any information from the honourable leader of the Government, and in view of the general attack which has been made from this side of the Chamber, I naturally expected that the supporters of this Bill would furnish some information or argument to supplement the remarks of the leader of the Government. I think we may take it for granted that if there was anything that could be said for it, it would be said by the leader of the Government. We know his eminent capacity; every one of us has admired his ability and efficiency in this House. We have seen him in some pretty tight corners from which he emerged with flying colors, and there is no man in this House or in the

Government of Canada who is more astute in presenting a subject than the leader of the Government in this Chamber. I say that to do him credit. But I also say this, that not having had the information from him, I naturally expected that as this debate proceeded we would have heard from some of his supporters who are sitting behind him. Why have we not heard from them? I appeal to honourable gentlemen, is it because there is not ample talent behind him? I do not think anyone can say that. The honourable gentleman has sitting beside him a gentleman who has held high positions in this country, (Hon. Mr. Murphy), one of the most capable men who ever graced a Cabinet position in the Dominion of Canada, one whom I heard on one occasion, with much interest, "nailing a hide on a fence", a performance that will stand as a classic in the history of parliamentary discussion in this country. There is no kind of fighting in which the honourable gentleman is not an adept; he is good both in defence and on the attack. I naturally expected that he would supplement and support his Leader, but so far we have heard nothing from him.

We have another eminent gentleman with us here, the right honourable gentleman from Brockville (Right Hon. G. P. Graham) a man who has probably occupied a higher position in the Government of Canada than any other man in this House; and entirely capable and able to express himself and defend a legislative proposal which the Government, of which he was a member, only a year or two ago presented. Have we heard anything from him in support of his Leader's contention that this is good legislation which should be approved by this Chamber? If he has said anything to assist us, I have not heard it.

We have also another gentleman who has occupied a place in the Cabinet Council, the honourable gentleman from New Brunswick (Hon. Mr. Copp); and we have heard not one word from him.

Then there is our friend from De Lanaudiere (Hon. Mr. Casgrain) a gentleman who has a knowledge extending over a very wide range of subjects. There is hardly a subject you can mention upon which he does not give some intelligent expression of opinion. No man is more versatile than he is, and no man makes more real use of his versatility than the honourable gentleman. Yet, he is as dumb as the proverbial oyster.

Hon. Mr. MACDONELL: They are all qualifying for the old age pension.

Hon. Mr. LAIRD: There is no pension provided under the Bill for the dumb.

I can extend this further indefinitely. We have in this House a galaxy of new talent, gentlemen who were members of the House of Commons when this Bill was presented and received with such acclaim only a year ago. We have not heard from them in justification of their position at that time, or in justification of this Bill.

We have another gentleman, recently appointed from the city of Montreal (Hon. Mr. McDougald), who, I understand is the white hope of the party; a gentleman who is quite able to express himself and to give this House the information which is so sadly lacking in view of the failure of the Leader of the Government to produce it.

So, I say, here we are, face to face with important legislation of this kind which is being attacked from every angle and corner of this side of the House. It is called a bad Bill, it is called an unworkable Bill; it is called an unconstitutional Bill; and yet there is not a soul on the Government side to get up and lend his support to the Leader of the Government in presenting it. What is an unsophisticated member of this House, like myself, to do under the circumstances? What are any of us to do? Well, in the absence of information from these honourable gentlemen, in the absence of any further justification than we have had, I am forced to use my own best judgment; and I have just come to a conclusion—arrived at only a few minutes ago—as to what it should be. It is not necessary to repeat what happened after this House dealt with the Bill last year. I was one of those who voted against the second reading at that time. As I say, it is not necessary to repeat, for we all know, what happened as a result of our action. Honourable members on this side of the House were placarded from one end of the country to the other as having been the destroyers of the Bill, and as having taken part in the Tory defeat of the Bill in this House.

Then the general election followed, and this was one of the important issues submitted to the electors. In the Province of Saskatchewan it was discussed on every platform from one end of the Province to the other, and from reading the papers from different parts of Canada, and in conversation with gentlemen from different parts of the country, I learn that it was the subject of discussion in every Province of this Dominion. I think we can safely say it was one of the important factors which led to the decision at the polls in September last, as a result of which the people returned to power the Gov-

ernment which originally brought in this Bill and which was rejected in this Chamber. The people by their action declared this Bill to be one of the factors at least, and an important factor, in the election. They declared that they wanted this legislation.

Now the Government again presents this Bill, as they are justified in doing, and we are face to face with the same situation which confronted us last year. What are we going to do about it? Last year I opposed the Bill on principle. I am of the same opinion still, but I am face to face with the fact that since last session a general election has taken place and the people of the country have declared in favour of this legislation, and the elected representatives of the people in the House of Commons—representatives who are responsible to the people—have declared in favour of it and have passed it. The question arises how far we, as members of this appointive body, are justified in interposing our own opinion, our own private judgment of legislation of this kind, in defiance of the registered will of the people and the registered vote of the elected representatives of the people in the other Chamber.

My honourable friend from Ottawa (Hon. Mr. Belcourt) suggested that in dealing with this matter certain members of this House were actuated by partisan motives. I want to disabuse anybody's mind of that narrow view so far as I am concerned. I want to take the larger view, in my opinion the constitutional view, notwithstanding what my own personal opinion may be. I believe that the Bill is unworkable, that it is bad legislation, that it is a Bill which could properly be rejected by this Chamber—nevertheless, the people of this country having pronounced in its favour, and having demanded it by their votes at the polls, and their elected representatives in the other Chamber having declared that they wanted it, there is nothing else for us in this Chamber to do but to accept it as brought in by the Leader of the Government and explained to the best of his ability, but yet unexplained. I say the only thing for us to do is to accept the Bill and see that it is put upon the statute book as it has come from the people and the elected representatives of the people; and if it should turn out later on that our predictions are correct, there is no responsibility upon us; it lies upon the people who demanded it, and the representatives of the people who brought down the Bill and put it into effect.

Some Hon. SENATORS: Question.

Hon. Mr. LAIRD.

Hon. Mr. DANDURAND: Honourable gentlemen will remember that I was somewhat diffident about sitting this evening, and I consulted the House, and there seemed to be a division of opinion as to what we should do. I am glad that we have come back this evening. We have listened to arguments in favour of and against the Bill, and as there is no other speaker who wishes to carry on the debate, I believe it my duty now not to answer some of the arguments that have been made, because I want a full House to be present to register its opinion upon this most important question. For this reason, I will move the adjournment of the debate.

Hon. Mr. McMEANS: May I ask if it is proposed to adjourn to 3 o'clock to-morrow? The Divorce Committee will be sitting then, and the members of that Committee will not be able to be present.

Hon. Mr. DANDURAND: I will make a very short speech, and the bell will be rung to call in all the members.

Hon. Mr. McMEANS: We would have to adjourn the hearing of the case that happened to be before us at that time.

Hon. Mr. DANDURAND: It would be only for fifteen minutes or half an hour, perhaps not even that.

Hon. Mr. McMEANS: I for one am greatly interested in hearing what the honourable the Leader of the Government is going to say.

Hon. Mr. BELCOURT: Why not postpone the sitting of the Committee?

Some Hon. SENATORS: Question.

The Hon. the SPEAKER: It is moved by Hon. Mr. Dandurand, that this debate be now adjourned.

Hon. Mr. DANDURAND: To be the first order after third readings.

The motion was agreed to, and the debate was adjourned.

SPECIAL WAR REVENUE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 149, an Act to amend the Special War Revenue Act, 1915.

He said: Honourable gentlemen, this is a Bill to amend the Special War Revenue Act of 1915. It deals with the stamp tax on cheques, which, as honourable members of the Chamber are bound to remember, because they have frequently applied the stamps to

cheques themselves, was on a sliding scale. That tax of two cents for every fifty dollars is now reduced to a flat rate of two cents on all cheques for an amount exceeding ten dollars. The tax on matches is also reduced. The tax on sales is reduced from five per cent to four per cent. Printers are to be deemed purchasers or manufacturers.

Hon. Mr. SHARPE: When does that come into effect?

Hon. Mr. CASGRAIN: The first of July.

Hon. Mr. DANDURAND: The other clauses of the Bill deal with procedure. I move the second reading of the Bill.

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

THIRD READING

Hon. Mr. DANDURAND: As this is a money Bill, I would suggest that we dispense with the Committee stage, and would move the third reading of the Bill.

Hon. W. B. ROSS: I suppose you might just as well. I do not know that we can touch it in any event.

Hon. Mr. DANDURAND: No.

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

INCOME WAR TAX BILL

SECOND READING

Hon. Mr. DANDURAND: moved the second reading of Bill 150, an Act to amend the Income War Tax Act, 1917.

He said: Honourable gentlemen, this Bill reduces the Income Tax by ten per cent. The procedure will be very simple, and will be applicable to the return to be made for the year which expired on the 31st of December last. When one has prepared his income tax report he will simply strike off ten per cent from the total. I think this a welcome amendment to the Act.

There is a clause which provides that:

Any information or complaint in respect of causes arising under this Act may be laid or made by any person authorized thereto by the Minister.

The other clause raises the age of children who entitle their parents to claim exemption from the tax, from eighteen years to twenty-one years.

I move the second reading of the Bill.

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

THIRD READING

Hon. Mr. DANDURAND: With the leave of the House, I move the third reading of this Bill.

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

APPROPRIATION BILL No. 4

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 151, an Act for granting to His Majesty a certain sum of money for the public service of the financial year ending the 31st March, 1927.

He said: Honourable gentlemen, this is the last supplementary for the year ending the 31st March, instant. It amounts to $575,204.22, and the details of expenditure are contained in a schedule attached to the Bill.

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

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

CROWN DEBTS BILL

SECOND READING POSTPONED

On the Order:

Second reading of Bill 122, an Act respecting certain debts due the Crown.—Hon. Mr. Dandurand.

Hon. W. B. ROSS: I think the honourable gentleman might let this order stand. The right honourable member for Ottawa (Right Hon. Sir George E. Foster) is interested in this Bill and probably the other. The honourable gentleman might make a statement about the Bill to-night.

Hon. Mr. DANDURAND: Yes, I thought I would make a statement. There are perhaps other members of the Senate who have something to say on the second reading. We will not take the second reading to-night.

This Bill is a very short one, but it covers a multitude of operations. It reads as follows:

Notwithstanding anything to the contrary contained in The Dominion Lands Act, chapter twenty of the statutes of 1908, or in any other Act, the Governor in Council shall have power to make regulations providing for the apportionment and adjustment of indebtedness incurred for advances of seed grain, fodder for animals and other relief, and to discharge and release in whole or in part any monies due to His Majesty in respect of either principal or interest or both, as may be considered equitable in the circumstances.

Honourable gentlemen will remember that in the winter of 1914-15 the Government advanced seed grain and fodder to quite a number of farmers in the West and registered liens against all the lands of the settlers, which liens took priority over all other encumbrances then existing. If, later on, a mortgagee took sale proceedings against one lot or parcel of land belonging to the beneficiary, he had to carry the whole charge of the lien, very often to his damage and loss. The lien for a certain amount covered every parcel of land that the farmer owned, and on the first sale the total of the charge had to be carried by the mortgagee.

The Government similarly advanced other goods, in the years that followed 1914-15, by way of relief to settlers, and registered liens which ranked, as to priority only, from the date of registration, but they were held by the courts not to be discharged by sale proceedings instituted by anterior or preceding mortgagees. That decision, honourable gentlemen will understand, clouded the title given to a purchaser in the sale proceedings.

Hon. W. B. ROSS: I do not quite understand that blot in the title.

Hon. Mr. DANDURAND: A purchaser who bought in sale proceedings instituted by a mortgagee did not get a clear title.

Hon. Mr. ROSS: No; the lien was on.

Hon. Mr. DANDURAND: The lien, although subsequent, being a lien of the Crown, remained against the property.

Some advances were also made after 1915-16 to the provinces and the municipalities who lent to the farmers who were in need. Under this Bill the Department will have power to negotiate with the provinces, the municipalities and the loan companies. The Department does not intend to negotiate with any private individual, but only with those institutions that have mortgages and liens. The legislation under which these advances were made, in most cases postponed the existing encumbrances and gave priority to the crown liens, thus working a hardship to the legitimate mortgagees; furthermore, the crown liens attached to all property which stood in the name of the lienee no matter how slight his actual interest might be; the property has, in many cases, changed hands and each piece is charged with the full amount of the lien. That is what I explained a moment ago. The earlier liens were not registered in the local Land Titles Offices and the present owner has not had any intimation that any encumbrance exists; in many cases, the interest has been unpaid for years and is greater than the original debt.

There are cases where registration has been made against the property for advances to tenants without the consent or knowledge of the owner. The province of Alberta has appointed a Debt Adjustment Board, but the Federal Department has not been able to join in that work of the Alberta Government, because it was without power to do so. This Bill would allow it to join in any work instituted and carried on by that Board. The provinces are selling for taxes, and the Federal Government is not there to protect its interests.

I stated yesterday that under the War Measures Act authority to compromise was given by Order in Council, which lapsed with the War Measures Act. So this present Bill simply gives general power to the Government and the Department of the Interior to apportion and adjust the claims of the Department in conjunction with the other creditors—province, municipality, or loan company.

Perhaps at this stage I might place on Hansard an extract from the Order in Council which was passed in the spring of 1918, covering this same matter. This is a certified copy of a report of the Committee of the Privy Council approved by His Excellency the Governor General on the 23rd of February, 1918. The Order in Council proceeds to recite what I summarily explained just now, and concludes thus:

> The Minister, therefore, recommends that in the case of a sale or a foreclosure and sale by such mortgagee or encumbrancee, the Minister may, upon being satisfied that such mortgagee or encumbrancee has taken every reasonable and proper means to procure the highest price for the said land and has suffered loss by reason of liens so registered, issue such discharges or partial discharges as to the land sold as will relieve such mortgagee or encumbrancee of loss in the case of liens for seed grain and fodder, beyond the amount thereof applied on such land with interest, and in case of relief, wholly or to such extent as the Minister deems equitable.

The Minister and the Department thought at one time of drafting a Bill that would give them some very definite powers to cover the same group of advances, but when it came to attempting to make a precise Bill, which would simply limit the discretion or freedom of the Department, they found they could not do it. They come before Parliament and say: "We ask for those wide powers, but the purpose is to deal fairly with the parties interested in those advances—Provincial Governments, municipalities and loan companies.

I might give a further explanation as to the amounts that are still due.

Hon. W. B. ROSS: That is what I was going to ask the honourable gentleman, whether he could give us an idea of the number of persons

who are interested, or whether there are no persons at all, but merely loan companies and Provincial Governments. Are there any individuals interested?

Hon. Mr. DANDURAND: The statement of the Minister is that they intend to deal not with individuals at all, but simply with the provinces, the municipalities, and the loan companies.

Hon. Mr. ROSS: Is there any idea as to how many cases there are to deal with?

Hon. Mr. DANDURAND: I might give the following statement, which I think will cover the case. These advances go as far back as 1876 and continue to 1926. The total repayments of principal to January 31, 1927, and the amount of principal outstanding as of January 31, 1927, are shown in this statement. From 1876 to 1926 the security taken amounted to $15,340,016.63, while the repayments of principal amounted to $12,005,353.77. The balance of principal outstanding as of January 31, 1927, amounts to $3,334,662.86. In connection with the joint loans, or loans made under the 50 per cent agreement, payments by the Dominion to the province of Alberta amounted to $875,108.09, and to Saskatchewan to $290,913.52, while the total repayments from Alberta have amounted to $163,305.31 and from Saskatchewan to $37,514.20, or a total repayment of $200,819.51. That is the statement regarding the two provinces and the loans on this account. It shows the financial situation as it stands to-day.

Hon. Mr. ROSS: As I understand it, then, this Bill will give the Government power to enter into negotiations with the provincial governments and the loan companies?

Hon. Mr. CASGRAIN: And municipalities.

Hon. Mr. ROSS: Yes, the municipalities also. They will try to shake the whole thing out and come down to a settlement, I suppose.

Hon. Mr. DANDURAND: Yes. I may say that in southern Alberta quite a number of farmers have left and the Province of Alberta in many cases has foreclosed for taxes and is in possession of the land, but the Federal Government still claims its liens. An adjustment must be made there. Besides, an effort is being made by the Department to transfer a certain number of farmers to other lands or induce them to abandon farming and engage in ranching. There is a variety of cases. It is impossible to give a description of all those advances. The Department is naturally au fait and is watching closely over the interests of the federal exchequer, but it must have some power for the adjustment and apportionment of those claims.

Hon. Mr. DANIEL: Is there any arrangement made whereby the Minister shall report to Parliament the action that he has taken under this Act? I think that is very important. Otherwise nobody would ever know what the Minister had done.

Hon. Mr. DANDURAND: Well, there is nothing in this amendment. Possibly I may find something, and I will tell my honourable friend at the next sitting. I may find that in the Act itself there is an obligation to report every year. If there is not, we may make a special proviso.

Hon. Mr. DANIEL: I think it is very important that the Bill should include a clause calling for such a report.

Hon. Mr. GRIESBACH: This Bill does not prevent the Minister from adjusting the debts of single individuals; it gives the Minister power to deal as he sees fit with any person who owes anything to the Government with respect to seed grain and those other matters, and, as has been pointed out, there is no provision for publicity. I am satisfied that the Bill gives entirely too much power to the Minister in the matter of control, which may be exercised in an objectionable way. I intend to propose an amendment, but before doing so I should like to have the opportunity of reading the statement that the leader of the Government has just made. Therefore I would move the adjournment of the debate until such time as I have an opportunity of seeing that statement.

The motion was agreed to.

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

THE SENATE

Thursday, March 24, 1927.

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

Prayers and routine proceedings.

PRIVATE BILLS

THIRD READINGS

Bill 43, an Act respecting the Ottawa Electric Company.—Hon. Mr. Beique.

Bill 44, an Act respecting the Ottawa Gas Company.—Hon. Mr. Beique.

DIVORCE BILL (ONTARIO)

FIRST READING

Hon. Mr. WILLOUGHBY introduced Bill B6, an Act to provide in the province of Ontario for the dissolution and the annulment of marriage.

He said: Honourable gentlemen, I desire to say just a few words in connection with this Bill. The matter will be fully discussed when the Bill comes up for the second reading. I make this short explanation now in order that it may be made public and that those who are interested in the subject, not only in this House, but on the outside, may have an opportunity at the earliest possible moment of knowing what is the scope of the Bill.

In 1920 we passed in this House two Bills. One was a measure vesting in the courts the power to grant divorce. The other was a Bill, of a rather controversial nature, dealing with several questions in connection with divorce, such as the right of the wife to be put on an equality with the husband, and the question of doing away with the right of action against co-respondents, as appertains in the English law; but this Bill we are not attempting to proceed with at the present time. The Bill now introduced is a measure vesting power in the courts of Ontario only. The Bill introduced formerly was for Ontario and Prince Edward Island. The vast majority of divorce applications come from Ontario, and the purpose of this Bill is to vest in the courts of Ontario the power to grant divorce as that power existed on the 15th of July, 1870, modified from time to time by English Acts. Save that we have excluded its application to Prince Edward Island, the Bill is exactly the same as passed this House in the Session of 1920. The other Bill, as I say, is of an entirely different nature, dealing with many other things, and it is not my intention to introduce it at this Session, or perhaps at all.

When this measure comes up for second reading I shall deal with the question at whatever length may seem adequate to the purpose.

The Bill was read the first time.

ACCOUNTS OF COLONEL ROBERT INNES

INQUIRY

Hon. Mr. PROWSE: Honourable gentlemen, on the 22nd of June last year I asked for certain information, and on the 25th it was ordered:

That a return do issue for a copy of all accounts submitted to the Government by Colonel Robert Innes, in connection with his visit to India, together with a copy of all telegrams, correspondence and other documents in connection with the same.

Up to the present time the return has not been brought down.

Hon. Mr. DANDURAND: The honourable gentleman will remember that there was somewhat of an upheaval in parliamentary circles towards the end of that week. That would explain why his motion was neglected. My responsibility is shared with that of the previous Government. I will see that a return is made as soon as possible.

OLD AGE PENSIONS BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Dandurand for the second reading of Bill 70, an Act respecting Old Age Pensions.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, as I was not able to be present last night, I preferred a modest request to the honourable leader of the Government that I should be allowed a minute or two in order to state my position on this Bill before he closed the debate. That request has been very courteously granted. I shall not trespass long on the patience of the House.

Last year I was a member of the Committee to which this Bill was referred, and gave as much personal attention as I could to the proceedings in Committee and in this Chamber.

Hon. Mr. DANDURAND: The Old Age Pensions Bill was not referred to Committee.

Hon. W. B. ROSS: That was the Rural Credits Bill.

Right Hon. Sir GEORGE E. FOSTER: Then I will withdraw my remark in that respect and say that during the consideration of this Bill in the House I expressed at length my own views and opinions on the Bill. It is not necessary for me to repeat those, but since last we had this matter before us some things have taken place.

Shortly, my ideas run along this line, and I have formed those ideas largely out of experience and observation during my lifetime. Contemporaries of my own time, are in my mind now, many of them, who considered it not only a duty but a privilege, after having passed through the sustaining years of parental care and provision—a duty which they cheerfully assumed, and a privilege of which they gladly availed themselves—to take

care of those who had been the source of their nourishment and care through many years of youth.

I have noticed that in those cases this conduct had a double effect: it made for personal self-reliance and responsibility, and for the strengthening of family ties, that a boy should think himself not only as fulfilling a duty but exercising a privilege, in the old age of his parents, when they needed his effort and his aid, by helping them. I am sure such convictions aid and strengthen that invisible but very important family tie that binds youth and old age together and makes a solid and durable unit and thus adds stability to the nationhood which is made up by those units.

On the other hand, I have observed that under the old age pension system there is a certain amount of influence taken away from the thought, which should be in every man's mind through his business and working days, that by frugality and economy, by methods of life insurance or otherwise, he should prepare in days of health, strength and labour capability, for rainy days, as we sometimes call them, which are sure to come to all of us some time in our lives. My fear is that if we give the youth the idea that when the rainy days come the Government will step in and do what formerly was within his own power to do, there will be a weakening of the bond of which I have spoken and consequently an injury to the character and stability of family life and nationhood.

As a member of the Senate I do not have to go back for election—I have had my full share of elections in my lifetime—but as a Senator I have opinions which are partly personal, but which also have been evolved from experience and observation during my course of public life. From these I have formed my view of old age pensions, but in my opinion, when once measures of an important character of this kind come up in the popular Chamber, and are debated and canvassed and passed, and come here, it is quite within the purview of a Senator to say: "This legislation will not be hurt by being held for a time for further consideration."

But I think there comes a time when the Senator taking that view which has been evolved through his observation and experience during a period of public life, must say to himself: "After all, if the popular body, and the people directly responsible for its election, have had an opportunity to think it over and pass upon a certain subject, and then a second opportunity to deliberate upon it and reach conclusions, and if the popular body lately elected, in circumstances of that kind, concludes to persist in its legislation, shall I strongly press my personal opinion against this tendency of the popular view as expressed in the popular House, or shall I to a certain extent subordinate that, and let the measure go through?"

Now, with reference to this measure, I do not believe in the principle on which it is founded. I do not believe it has the elements of justice or fairness in it. I do not believe it is possible in its present state to be carried out. But it has been placed before the Senate for the second time, after the popular body has been changed. Therefore my position today is this: I let it go back with all its imperfections on its head, with all its inconsistency and practical impossibility, with the idea that when it comes down to the point of application, where flowery speeches and general approbations have very little force, when it gets before members of the Federal Government, and members of different provincial Governments, it will be found to be such an amalgam of impossibilities, impracticabilities and unfairnesses, that there will be an attempt to produce a measure which may come again before the popular assembly and before the Senate, having as its principal features those factors which I believe are essential to the proper working out of a successful pension insurance scheme for old age.

Taking that view, I do not propose to vote against the second reading of this Bill; but in letting it go back to follow the course which it seems to me it is bound to take I have hopes that in future we may have a measure before both Houses which will include contributions to the scheme, and there will be within it the nerve and solidity and fairness that will do something towards helping each pensioner in each case. It may also have a double or treble contribution, from the man who labours, his employer, and the Government of the province or the nation which is vitally interested in getting a happy citizenship. By combining these things we may untimately reach a measure which it seems to be fairly impossible to avoid securing in view of the trend in various countries of the world and the trend amongst our own population. When that measure comes it may work out to the benefit and stability of our common country.

I like to have my views, and I like to fight for them as long as they are tenable. I like also to be in the position of making fair compromises when I see a proper opportunity. That is my position now, and I think my honourable friend for his courtesy in allowing me to state that before I give my vote.

Hon. J. G. TURRIFF: Honourable gentlemen, before we get to second reading of this Bill I would like to take a few minutes. When this measure was before the House last year I voted against it, and I see no reason whatever why I should change my vote this year. There did not seem to be any good reason last year why the measure should be passed, and nothing has occurred since then to make me change my judgment. I understood last year, and I think it was stated in the Senate, that the Prime Minister was going to have an interview with the Prime Ministers of the different provinces, to see if some arrangements could not be made by which a measure could be brought in that would receive the assent, more or less, of the different provinces. So far as I know and understand, that meeting has never taken place, and no effort whatever has been made to find out the views of the different provinces on the subject.

Personally, I think this is a subject that ought to be left altogether to the provinces, which have the care of the old and infirm, and which have made different arrangements for the care of those people. I cannot understand why the Dominion Government should rush in and want to take that duty from the provinces, and expend large sums of money for carrying out such a plan, which has been estimated, by those familiar with the matter, to cost in the course of a few years something like $25,000,000 to $50,000,000 a year from the Dominion treasury. That is a lot of money, and why should we expend that money when nobody, or practically nobody, is asking for this measure?

There is another reason why I do not like this Bill. One province may agree to join with the Dominion Government and pay its 50 per cent of the pension, and another province right beside it may not do so; but the province that does not join has to pay its share of the 50 per cent that the Dominion pays, which to my mind is absolutely unfair. Why should one province be able to pay a half, and have the Dominion pay the other half, while a province that does not want to go into the arrangement has to pay its share of what the Dominion pays? To my mind that is certainly unreasonable and unfair, and, what is more, it cannot be worked out in practice.

However, I think there is another reason, and I believe it is one on which a great many honourable gentlemen in this House are going to support the Bill, and that is that it will put the child on the doorstep of the Dominion Government, where it belongs. I do not think the Dominion Government has any intention of putting this measure into force. Its whole object is to put the Bill before the Senate on purpose that the Senate may knock it out. That is what they want, and if the Senate should knock out the Bill, it would create a good election cry for the Government at the next election; at least, they think so. Personally, I doubt it very much; and, what is more, I do not believe in voting for a measure that I think is iniquitous merely for the purpose of putting the Government in a hole, for that is what it will amount to. Therefore, I intend to vote against the Bill under any and all circumstances, because I think it is not good legislation.

The Government refused to allow any amendment in the other Chamber. Now, I am in favour of old age pensions properly put into legislation, but I do not favour anything that might be jumbled together without any common sense. Under this Bill, those who participate in a pension would not have to contribute anything. Now, if there is anything on earth that will make people unthrifty, it will be a plan under which they can say: "Well, it does not matter whether we are prepared for our old age or not: the Government comes to our rescue, so we may as well have a good time and spend all our money." We know that many people do spend their money in all sorts of folly, leaving it to someone else to look after them in their old age; whereas if we had contributions from those who are to receive the pension when they reach the age of 70 years, or whatever age might be fixed, there would be an incentive to them to be thrifty, to work and to save their money; but under this Bill the opposite will be the case. For that reason I am very much opposed to the measure. If something along the line suggested yesterday by my honourable friend from Montarville (Hon. Mr. Beaubien) were introduced, I think we might perhaps get a Bill that would be more or less acceptable.

We should remember that we have a measure on the statute book to-day, the Annuities Act, which I think was introduced by the late Sir Richard Cartwright years ago, by which there are small payments made, and towards which the Government helps. I would rather see the Government help, and help extensively, to provide a pension for the old people when the time came, provided that during their lifetime the pensioners had paid something towards the fund. That would be a workable scheme; but this one is to my mind altogether unworkable, and I do not propose to vote for it.

I did not intend to say much about this Bill, but I wanted to make my views clear; and I am not going to be coerced into voting

for a measure that I think is no good, for the sake of helping the Government, or the opposition, or anybody else.

Hon. W. B. ROSS: Before the honourable gentleman begins to speak, so that I may not interrupt him, I would like to ask a question.

Hon. Sir ALLEN AYLESWORTH: Honourable gentlemen, before a vote is taken upon this question, I should like to say a few words, not at all by way of argument as to how any other honourable gentleman should vote, but by way of explanation of my own attitude in the matter of the vote I intend to give.

When this measure was before the House last year I voted against it, sitting silent and voting according to my own best judgment of what I thought was right. I have been subjected to considerable criticism on the part of friends, and on the part of others who perhaps are not friends, for the vote I gave and for the course which I took, and it is on that account principally that I want to speak to-day rather than vote again in silence.

I voted against the measure last year simply because, as a matter of principle, I personally am unalterably opposed to the whole idea of pensions being paid by the State. We have pensions to the right of us and pensions to the left of us; pensions very plentiful, it seems to me; and in thinking over the list of the different classes within the country to which pensions are allotted by law, I can think of but one class by whom, it seems to me, they are earned, and to whom payment is just right—that is, to the soldier, or to the soldiers' family when a man has lost his life in the service of his country.

Hon. Sir ALLEN AYLESWORTH: But, thinking of other classes in the community, is it possible to consider payment of a pension in any other light than as the payment of a gratuity, a gift, pure and simple?

That I am not insincere in holding strong views on the subject, I have an opportunity of demonstrating. Twenty years ago or more I came into the House of Commons at a time when pensions had just been established for Ministers of the Crown. I thought—I think still—the general public feeling in the country was very much opposed to that class of pensions; and when, during the first Session in which I was sitting as a member of the House of Commons, a proposition was made to repeal the statute which awarded such pensions to Ministers of the Crown, I took occasion to advocate aud support the repealing statute as strongly as I was able.

It is a matter of lifelong conviction, I may say, on my part, because from my earliest recollection in the household at home, the matter of pensions to public servants used frequently to be a subject of conversation and discussion, and possibly I am prejudiced by my knowledge of the way in which the ordinary farmer of this country of fifty or sixty years ago looked at the whole subject. To his mind it was the payment from, or the taking from, the public treasury of money which was never earned, and which it was morally wrong that anyone should pay or that anyone should receive.

I am not for a moment losing sight of the views of honourable gentlemen opposed altogether to mine, but I am greatly fortified by some of the opinions which were expressed during the debate last year by different members of this House. I want to speak especially of the admirable presentation of the case against the payment of pensions which was then made by the right honourable gentleman from Ottawa. I felt myself entirely in accord with every argument which he then put forward in such a masterful fashion. I regret that circumstances have so changed that to-day it seems that he and I cannot stand side by side in our vote, any more than we have been able to do so in the past. It is only a few months since, in the voting in the provincial elections in Ontario, each of us found himself in the position in which the Indian was when he said "Indian not lost, but wigwam lost". Apparently we are still not able to see things from the same point of view.

Now, I want to say simply that the way in which this question strikes me is this. We are here as members of Parliament, dealing with moneys which are not our own. Each of us has contributed his share, it is true, but in the main the public moneys are paid into the treasury by the general body of taxpayers. We are in control of those moneys. Have we any more right, morally speaking, to legislate to pay out one dollar of those moneys otherwise than for the general public benefit of the country, than we should have if we were private trustees holding in our hands the funds of other people? It does not seem to me that we have, honourable gentlemen, and I cannot bring myself to vote in support of this measure.

Hon. W. B. ROSS: Can the honourable the Leader on the other side give us any information as to how much the Government have arranged to place in the Estimates to

meet the expenditure under this Bill for the coming year? Would it amount to $20,000,000, $25,000,000 or $30,000,000?

Hon. Mr. BEIQUE: $40,000,000.

Hon. Mr. DANDURAND: I can readily answer by honourable friend by telling him that the Main Supply Bill contains nothing for this purpose. If the Senate passes the Bill the Government may include a certain sum in the Suppementary Estimates; yet I am inclined to doubt that it will, because when the Bill becomes law, and then only, it will be the duty of the Government to get in touch with the Provincial Governments to see if they are inclined to accept the present scheme. If the Provinces are inclined to accept the scheme, then there will be negotiations as to the conditions surrounding the contract or agreement. This will take place, I suppose, some time; and then a sum may be included in next year's Estimates to pay whatever would be due to the Provinces that have come under the scheme. My honourable friend must not forget that the expenditure will first have to be made by the Provinces, and that it will be after a certain period that the amount will be asked from the Federal treasury. The Federal Government cannot pay anything under this Bill, nor under any agreement with the Provinces, till they have made their election.

Hon. W. B. ROSS: British Columbia is in now?

Hon. Mr. DANDURAND: Oh, no. British Columbia has an enabling Act which will empower the government of that province to approach the Federal Government and arrange to have this Act applied to that Province.

Now, honourable gentlemen, I do not intend to speak at length on this matter in spite of the invitation of certain honourable gentlemen on the other side of the House. I have just listened to my honourable friend from Toronto (Hon. Sir Allen Aylesworth) stating that last year he gave a silent vote against the Bill, and that he intends to maintain the same attitude to-day. He tells us that he is actuated by principle. Well, that is very laudable, and I applaud him for following a principle to which he has adhered from childhood. I confess that I have not been able to find what principle actuates me in my present decision, or to go back to a principle upon which I can rely; I confess that I have been actuated more by sentiment. I have been actuated by sentiment because of my daily experience in coming in contact with human beings. I find that wherever an employer has been in direct contact with an employee for a certain number of years, that employer has felt the necessity and the moral responsibility of not turning into the street the man who has served him and who at a certain moment has become incapacitated. I find that all the members of this very Chamber feel the same way. I meet them in the Internal Economy Committee and in this Chamber when we discuss the situation of the personnel of the Senate, and of the officials and employees of the various Departments of the Government. Instinctively they feel that they would not be true to themselves and to their best feelings if, after a man had become incapacitated or reached the age of sixty or seventy-five years and was unable to continue his service, they turned him into the street. They feel that in that they would not be doing the manly thing, more especially if he happened, by reason of having been in receipt of only a small income, not to have been able to lay aside anything for the future. We have provided pensions for our employees, and we have done so liberally, throughout the whole Service. We have gone one step further. Last Session or the Session before we granted half of the pension to the widow when the servant of the State died.

We feel that we must do something for the people with whom we have come in contact. Likewise, every large corporation ministers to the needs of its aged employees. I come in contact with corporations, some of which have established regular pension funds to which, perhaps, the employees subscribe; I come in contact also with other institutions which have no pension funds, but which, when an employee dies, feel a certain moral responsibility towards the man's wife and children, for whom the board of directors provide a certain pension.

I am but repeating what I said last year. There was a time, before machinery appeared to dominate the industrial world, when the working man worked with a few companions, directly under his employer. That was practically the home shop. Those employees worked under the one same man, who felt that they belonged to his family, and who took very good care of them. But as machinery has appeared the small industries have disappeared and larger ones have taken their place, some of them having thousands of men gathered together far away from the board of directors or from their employer. Perhaps that condition is responsible for the statement that corporations have no soul.

Employers have been withdrawn from the contact that they used to have with their employees.

Now, this is an age of democracy and Parliament is supreme. Parliament represents the people, and the question now arises in every Parliament of the world: "Shall not the State become the father, or the employer, and represent the anonymous employers who sit in board rooms within four walls, a mile or more away from their employees, and shall not Parliament think of the men in the street, the men in the rain, who have done a good day's work and who have never felt that their employment was secure?" I am speaking of the mass of men working in the streets and on the farms, who have not enjoyed that security of employment which our employees and the employees of large corporations have enjoyed, but who from week to week may be turned off and compelled to return home to their wives and their children and tell them that they have lost their jobs and their means of earning a livelihood. During their lifetime these men have been haunted by the fear which faces the labouring population throughout the world, and the knowledge that from day to day and from year to year old age and inability to labour are creeping upon them.

Now, what are we doing? The Federal State, which has a much more buoyant treasury than many of the Provinces, as has been stated during this debate, tells the Provinces that if they will accept help the Dominion will share with them fifty-fifty in establishing old age pensions. It is not coercing those provinces. The very first clause says that the Government may enter into an agreement with any province.

It has been said, and repeated more than once, that we would discourage thrift. Well, to this date there has been no old age pension system in Canada; thrift has not been discouraged by the existence of pensions; yet we have throughout the land that sorrowful situation of men reaching 65 or 70 without having saved anything for their old age. We find that condition among the classes. We find it among our so-called aristocracy, which is nothing but our bourgeoisie, as well as among those who work with their brawn. There are thousands of men who become incapacitated without having laid aside anything for their old age.

Hon. GEO. LYNCH-STAUNTON: Would the honourable gentleman allow me to ask him a question here? I have in mind a number of men who are contributing to a pension fund from which they will receive, say, $40 a month—I am not sure of the exact amount. Now, will those men be eligible to receive anything under this scheme after they have begun to receive the pension to which they have been contributing?

Hon. Mr. DANDURAND: My simple answer is that all men and women who are not in possession of an income amounting to $365 a year are entitled to something under this Bill. If they have $350 they are entitled to $15, and so forth.

Hon. Mr. LYNCH-STAUNTON: Will it not be to the interest of people now contributing to a pension scheme to drop out of it? Will not this Bill, if it becomes law, kill all the pension associations from which men who are now contributing are to receive, say $300?

Hon. Mr. DANDURAND: I doubt very much that any man who has been contributing for some years to a fund from which he is to be allowed a certain amount will relinquish the advantage of that fund.

Hon. Mr. LYNCH-STAUNTON: But what I mean, honourable gentlemen, is this. Will it not be money in such a man's pocket to drop out? It will be to his advantage, so far as I can see. I am not speaking now as to the policy. A man may now be contributing to a pension fund which will give him, we will say, $400 a year. If this Bill becomes law, will he not say to himself, "It is money in my pocket to drop this altogether"?

Hon. Mr. DANDURAND: I do not think that he would. My honourable friend cites a case where the beneficiary would receive, at the end of a certain period, $400. In this instance the amount he could get would be $240.

Hon. Mr. LYNCH-STAUNTON: No; he will get double. It will be from the province and the Dominion.

Hon. Mr. DANDURAND: It is $240 all told. It is $120 per annum, or $10 per month, which is contributed by the Federal Government.

Hon. Mr. BEIQUE: He gets $20 a month.

Hon. Mr. DANDURAND: That makes $240 a year, but the Federal Government furnishes only 50 per cent of that sum.

Hon. Mr. LYNCH-STAUNTON: It seems to me you will kill all the pension funds in the country.

Hon. Mr. DANDURAND: I doubt that very much.

I have listened with considerable interest to the whole debate on this Bill. There has been in three or four instances some criticism of the speech I made on presenting this measure. It was held that my remarks were

not sufficiently affirmative and lacked enthusiasm. The honourable member for Regina (Hon. Mr. Laird) was one of the complainants. I think I am justified in asking him to read again my short explanation of the Bill. I wonder if it did not inspire his own speech. I have listened to all the reasons he has given for altering his vote and favouring the measure, and there is not one of those reasons which I have not stated in my own speech. The honourable gentleman, as well as others, was surprised at the time I devoted to an explanation of a contributory scheme. I did so for a purpose. All the details of that scheme I took from statements made, either in the House of Commons or in public, by the Minister who introduced this Bill, and I emphasized the contributory phase of the scheme because Great Britain has felt the necessity of adding to its first measure. its gift of free pensions, a contributory system. I felt, and I still feel, that even if we had a contributory scheme to present to the honourable members of this Chamber it would be absolutely necessary to pass an enactment containing the principle of this present Bill, because men of 70, 65 or 60 cannot be asked to pay the premiums which would be necessary to entitle them to a fair pension at 70. There is a period which we must take care of, and that period may be fifteen or it may be twenty years.

I mention the importance of a contributory scheme in order to draw the attention of the Prime Ministers of the various provinces to the desirability of hastening to place upon their Statute Books a scheme of that kind, and I am in hopes that when they meet in Ottawa next summer, or next autumn, they will together examine the question whether they should not enact such a law in their respective provinces. I say this because I am aware that a scheme like the one I present to you, which should last, and must last, about twenty years, is in many instances a rather heavy burden. One does not need to be a professor of economics to recognize that you cannot charge a budget with a fairly large sum without providing the ways and means. The treasurers of the various provinces will have to examine into their finances and see how they are to meet that fairly large obligation, and from this day forward they can make arrangements for a Bill which will cover not the present time, but the future, and which will help the scheme to become self-supporting.

Hon. Mr. LAIRD: I take it therefore—if the honourable gentleman will allow me to interrupt—that the Government does not anticipate that the Bill at present under consideration will be acceptable to the provinces. That being the case, how does the honourable leader justify the action of the Government in going to the country, in the recent election, and promising relief under this present measure?

Hon. Mr. DANDURAND: This Government could not promise more.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. DANDURAND: This Government could not promise more than was within the four corners of the Bill introduced last year. I do not know how political discussion is carried on in the other provinces, but in our province there are often joint meetings and a public man who mounts the rostrum and advances an argument that can be assailed and destroyed by the speaker following him is a very bad tactician indeed.

Hon. Mr. LYNCH-STAUNTON: Oh, no; he will be talking to another audience.

Hon. Mr. DANDURAND: The campaign lasts five or six weeks, and he can easily be answered by another speaker the day after his remarks have appeared in the press.

The reason why the Government have insisted upon placing this legislation on the Statute Book is that the Prime Ministers may know what is the will of the Federal Parliament and what Parliament is prepared to give them. It will then be for them to decide whether or not they will come under this scheme.

Hon. Mr. LYNCH-STAUNTON: Could they not be told that at the conference?

Hon. Mr. DANDURAND: At the conference, among the nine or ten different parties, there may be nine or ten different opinions. It may be that this scheme can be bettered by suggestions from them, or that modifications may appear to them essential. They are all in the same boat. They must all turn to their own people for money with which to pay the pensions. If any suggestion comes from them which would justify an amendment, the Federal Government will undoubtedly take heed and embody the amendment in a Bill at the following Session. So I do not see that we need be very much alarmed over the accusation that we are morally coercing the provinces. They often stand together to resist federal encroachment, and from to-day on they can adopt a uniform policy for their own governance in the years to come. The Federal Government might ask the conference, "Would you be disposed

to do this if we did that?" but that would be only an academic question. Who knows what the House of Commons, and more especially the Senate of Canada, might decide?

Hon. Mr. GILLIS: May I ask the honourable gentleman a question? The Government knew that a conference was to be held between the provinces and the Federal Government. Why did they not delay this piece of legislation until the conference was held and some conclusion reached as to what the provinces wanted?

Hon. Mr. DANDURAND: This Bill will be an official expression of the opinion of Parliament, which the provinces will have before them. I may answer my honourable friend by telling him that the decision to call a conference for next summer, or next autumn, arose out of the Maritime Rights question, treated in the Duncan Report, and not directly in connection with old age pensions. It is my own idea that this matter should come before the next conference.

Now, as a prelude or preface to our discussion on old age pensions yesterday afternoon we had a reference by the honourable gentleman from Pictou (Hon. Mr. Tanner) to Providence playing a role in influencing the majority in this Chamber. The honourable gentleman quoted a newspaper reference to utterances concerning the action of Providence upon the majority in this Chamber. The ways of Providence are mysterious. Without violence, and as Government measures prove their merit, Providence draws the majority towards us. I was glad to see so many members on the other side join with the Government in support of this measure. I move the second reading of this Bill.

Hon. Mr. BEIQUE: The honourable gentleman has given no indication as to whether he would object to this Bill being referred to the Committee on Banking and Commerce.

Some Hon. SENATORS: No!

Hon. Mr. BEIQUE: I am asking the honourable leader of the Government; I am not asking the opinion of honourable members who have made up their minds to pass the Bill without knowing anything about it.

Hon. Mr. SHARPE: We will stay and vote: we will not run out.

Hon. Mr. DANDURAND: In all sincerity I may tell my honourable friend from De Salaberry (Hon. Mr. Béique) that I came to this Chamber yesterday, when the second reading of this Bill was to be moved, with an open mind on the question where the Bill should be studied; with an open mind because I must have regard to the will of the majority. It so happens that the majority is on my side. It has not always been so. Whatever the majority has decided has been my chart. I have agreed to have the Bill referred to whatever Committee the majority in the Senate seemed disposed to commit it. If there is a majority in favour of this Bill going to the Banking and Commerce Committee, I am willing that the Bill should go there. If there is a majority, as there seems to be, in favour of considering the Bill in Committee of the Whole, I am for a Committee of the Whole.

The motion of Hon. Mr. Dandurand for the second reading of the Bill was agreed to on the following division:

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Honourable Messieurs

Barnard,	MacArthur,
Béique,	McCormick,
Belcourt,	McDonald,
Bénard,	McDougald,
Blondin,	McGuire,
Buchanan,	McLean,
Bureau,	McMeans,
Casgrain,	Michener,
Chapais,	Molloy,
Copp,	Montplaisir,
Crowe,	Mulholland,
Dandurand,	Murphy,
Daniel,	Planta,
Farrell,	Poirier,
Foster (Sir George),	Pope,
Gillis,	Prowse,
Girroir,	Rankin,
Graham,	Raymond,
Green,	Riley,
Griesbach,	Robertson,
Hardy,	Robinson,
Harmer,	Ross (Moose Jaw),
Hatfield,	Schaffner,
Haydon,	Sharpe,
Laird,	Stanfield,
Lavergne,	Tanner,
Legris,	Taylor,
L'Esperance,	Tessier,
Lessard,	Webster (Brockville),
Lewis,	Willoughby.—61.
Martin,	

NON-CONTENTS

Honourable Messieurs

Aylesworth (Sir Allen),	Macdonell,
Beaubien,	McLennan,
Black,	Ross (Middleton),
Calder,	Todd,
Curry,	Turriff,
Foster,	White (Inkerman),
Lynch-Staunton,	Wilson.—14.

Hon. Mr. DANDURAND: Honourable gentlemen, I move that the Senate go into Committee on the Bill.

Hon. Mr. BEIQUE: I rise to make a suggestion to the honourable gentleman, as to whether he will accept this amendment:

That this Bill be referred to the Standing Committee on Banking and Commerce with the following instruction:

Several Hon. SENATORS: No, no.

Hon. Mr. BEIQUE: Will honourable gentlemen permit me to read what I have prepared before they say no?

That this Bill be referred to the Standing Committee on Banking and Commerce with the following instructions:

1st. To invite the Prime Minister of each Province to give his own opinion or that of his Governement on the Bill with all suggestions he may be prepared to make.

2nd. To obtain from the Dominion Government or proper Departments, and experts in the matter, statements showing approximately the total amount of the expenditure involved from year to year, for say twenty years, by the operation of the Bill.

3rd. To cause to be prepared by experts in the matter, draft Bills as per Old Age Pensions systems in force in Great Britain, in France, in Germany and in Belgium, respectively, with such modifications as may be necessary to make such draft Bills applicable to and workable in Canada.

4th. To examine and report back Bill No. 70 with such amendments as the Committee may deem advisable and with the statements and draft Bills above mentioned.

If I am allowed, I will say this. I have consulted perhaps the best expert in America —I am not authorized to use his name to-day—and I have before me a statement showing the amount of the expenditure, and honourable members of the House will be surprised when those figures are given. I think it is the duty of every member of this House, before finally passing upon this Bill, to have an open mind and receive any information that may be available for us. I ask the honourable leader of the Government if he would be disposed now to move that the Bill be referred to the Committee, as has been suggested, with the instructions which I have read.

Hon. Mr. DANDURAND: Honourable gentlemen, I will move that this Bill be referred to the Committee of the Whole House now, but if any honourable gentleman desires to move in amendment that it be sent to a Special Committee I will leave every member free to express, by his voice, his preference.

Hon. Mr. BEIQUE: But the honourable member would vote against it?

Hon. Mr. DANDURAND: Yes, but I took care to qualify. I am moving my Bill into Committee of the Whole, and of course I will have to vote for the Committee of the Whole, but I declared, so that my voice might be heard by every member, that whatever the Senate decided, in its free mind, would be agreeable to me.

I move that the House go into Committee on the Bill.

Hon. Mr. BEIQUE: I move, in amendment, that all the words after "that" be struck out, and that this Bill be referred to the Standing Committee on Banking and Commerce, with the instructions I have read.

Hon. W. B. ROSS: The honourable gentleman would oblige us by reading his amendment again.

Hon. Mr. BEIQUE: It is intended to oblige the Committee to report back all the information it may have received, so that this House in Committee of the Whole may have the entire record before them.

Hon. Mr. TANNER: How many years would that take?

Hon. Mr. BEIQUE: That can be done in eight days. I interviewed an actuary on Saturday morning, and on Tuesday at 4 o'clock I received the statements which I hold in my hand, but which I cannot use to-day, the contents of which will surprise honourable members on the other side.

Hon. Mr. ROBERTSON: Honourable gentlemen, I think it should be kept in mind and pointed out at this time that it is now three years since a Special Committee of another House made a study and a report. That report was to the effect that the Government of Canada should summon a conference of representatives of the various provinces and go into all these matters that the honourable member from De Salaberry (Hon. Mr. Beique) now suggests should be taken up by a Committtee of this House.

It is between two and three years since that was proposed. Now, approaching the close of this Session, with prorogation of Parliament rumoured to occur around Easter, it is proposed to go into an investigation which should have been commenced at least two years ago. I feel that the honourable member is not wholly sincere in making that suggestion at this late date, and he did not do so last year.

Hon. Mr. BEIQUE: Does the honourable gentleman feel justified in saying that I am not sincere? To show my sincerity I am willing to add a date within which the Committee will be obliged to report, and I will be satisfied with 15 days, possibly 8 days, I think that in 8 days the Committee will be able to report.

Hon. Mr. ROBERTSON: If my honourable friend were wholly sincere it would seem to me that he would want to follow the lead of the Government and let this Bill go to the Committee of the Whole House; then, if difficulties arose, and imperfections were found of such gravity that it would be necessary to get information of the character outlined in his amendment, it would be time enough to suggest some back-parlour antics in connection with this Bill.

I respectfully submit, honourable gentlemen, that the proper thing to do is to submit this Bill to the Committee of the Whole House and discuss it openly before the House and the country, and arrive at our conclusions here and nowhere else.

The proposed amendment of Hon. Mr. Béique was negatived on the following division:

CONTENTS

Honourable Messieurs

Aylesworth (Sir Allen),	Macdonell,
Beaubien,	McLennan,
Béique,	Montplaisir,
Belcourt,	Raymond,
Black,	Tessier,
Casgrain,	Todd,
Chapais,	Turriff,
Curry,	Wilson.—17.
Legris,	

NON-CONTENTS

Honourable Messieurs

Buchanan,	McGuire,
Barnard,	McDougald,
Blondin,	Martin,
Bureau,	McCormick,
Calder,	McDonald,
Crowe,	McLean,
Copp,	McMeans,
Dandurand,	Michener,
Daniel,	Mulholland,
Donnelly,	Murphy,
Farrell,	Mulloy,
Foster,	Planta,
Foster (Sir George),	Poirier,
Gillis,	Pope,
Girroir,	Prowse,
Green,	Rankin,
Griesbach,	Riley,
Graham,	Robertson,
Hardy,	Ross (Middleton),
Harmer,	Ross (Moose Jaw),
Haydon,	Robinson,
Hatfield,	Schaffner,
Laird,	Sharpe,
Lavergne,	Stanfield,
L'Espérance,	Tanner,
Lynch-Staunton,	Taylor,
Lewis,	Webster (Brockville),
Lessard,	White (Inkerman),
MacArthur,	Willoughby.—58.

The motion of Hon Mr. Dandurand was agreed to, on the same division reversed.

CONSIDERED IN COMMITTEE

The Senate went into Committee on the Bill.

Hon. Mr. Robinson in the Chair.

Hon. Mr. DANDURAND: I would ask Mr. Brown to please come to the floor.

Hon. Mr. BEIQUE: Mr. Chairman, I move:

That the Committee rise and report progress and ask leave to sit again on the 31st of this month, and that in the meantime the Clerk of this House be instructed:

1st. To invite the Prime Minister of each Province to give his own opinion or that of his Government on the Bill with all suggestions he may be prepared to make.

2nd. To obtain from the Dominion Government or proper Departments and experts in the matter, statements showing approximately the total amount of the expenditure involved from year to year, for say twenty years, by the operation of the Bill.

3rd. To cause to be prepared by experts in the matter, draft Bills as per Old Age Pensions systems in force in Great Britain, in France, in Germany and in Belgium, respectively, with such modifications as may be necessary to make such draft Bills applicable to and workable in Canada.

I would suggest that the Clerk wire to the Provincial Prime Ministers for information.

Some Hon. SENATORS: Lost.

Hon. W. B. ROSS: Mr. Chairman, I gave my reasons for voting against the Bill and now I wish to give my reasons for voting against this motion. I voted against the Bill, and I will vote against it again if I ever have the chance. The Bill interferes with the Provinces—there is no getting away from that; it is a usurpation by the Parliament of Canada of the powers of the Provinces under the British North America Act. When the national Government takes it upon itself to appropriate one of the duties that falls to the Provinces within the constitution, and says in effect: "We are going to tell you what to do with that particular thing," as they do in section 3 of the Act, and then say, "If you do not do it we see a way whereby you may be made to do it—"

Hon. Mr. BELCOURT: I rise to a point of order. My honourable friend is discussing the principle of the Bill.

Hon. W. B. ROSS: No, I am not: I am giving the reasons why I am going to vote against this motion.

Hon. Mr. BELCOURT: May I be allowed to state the point of order?

Some Hon. SENATORS: Order!

Hon. W. B. ROSS: I am not discussing the principle of the Bill. I discussed that before, and I am not going to do it again.

Hon. Mr. BELCOURT: If my honourable friend permits me, I will go on; if he will not, I am going on anyway.

Some Hon. SENATORS: Oh, oh!

Hon. Mr. BELCOURT: I am rising to a point of order—

Some Hon. SENATORS: Order!

Hon. Mr. BELCOURT: —which I have a perfect right to do without the honourable gentleman's leave.

Hon. Mr. SHARPE: Oh, my!

Hon. Mr. BELCOURT: My honourable friend is now making on this motion the same argument that he made on the motion for the second reading of the Bill. That is past and gone. We are now in Committee of the Whole, and my honourable friend must confine himself to discussing the Bill clause by clause.

Hon. W. B. ROSS: We are not discussing it clause by clause; we are discussing an amendment that is now before the Chair, and I am giving my reasons for voting against that amendment.

Hon. Mr. POIRIER: You are right.

Hon. W. B. ROSS: I want to point out to the honourable gentleman what the principle of the Bill is, not to argue it over again. I want to say that this motion, if it leads to anything, is not going to lead to the amendment of this Bill but to the substitution of another Bill.

Hon. Mr. BEIQUE: It is not an amendment: it is merely asking for information.

Hon. W. B. ROSS: I know that; but I say that if it leads to anything it must lead to the substitution of another Bill for this. Amending a Bill is one thing—

Hon. Mr. BEIQUE: Will the honourable gentleman allow me? Has the honourable gentleman realized that under this Bill persons confined in the penitentiaries will become pensioners?

Some Hon. SENATORS: Sure.

Hon. W. B. ROSS: They need it.

Hon. Mr. BEIQUE: And it is because I find that a great many here have made up their minds to pass the Bill as it is that I think it is my duty to try to show that we should have some light upon it, so that we may reach a proper conclusion in regard to it. There may be no amendment at all. The honourable gentleman must not take it for granted, as he is doing, that this will lead to an amendment which will change the principle of the Bill.

Hon. W. B. ROSS: My view of this Bill is that it is so bad that it ought to be killed. But I do not get my own way about that. It is so bad that it cannot be amended. To refer it to a Committee and get information from the quarters indicated would not help me a bit, because there is nothing to be done with this Bill except to either kill it or let it go.

Hon. Mr. BEIQUE: Will the honourable gentleman allow—

Some Hon. SENATORS: Order.

Hon. Mr. BEIQUE: I am asking the honourable gentleman who has the floor if he will permit me to put a question?

Hon. Mr. SHARPE: Give him a chance to make a statement.

Hon. Mr. BEIQUE: With his permission. Does not the honourable gentleman think that it would be interesting to know if all the Provinces, for instance, are against the Bill?

Hon. Mr. SCHAFFNER: We found that out before.

Hon. W. B. ROSS: I may tell the honourable gentleman that it is just a little late in the day to be finding out where the Provinces are on this matter. That is one of the things in which this Government has been very negligent—in not finding out before this Bill was brought here what the position was.

Hon. Mr. BELCOURT: We are not the Government here.

Hon. W. B. ROSS: It is the Government of the day that should have known that. What we do know, but not in a formal way, is that two or three or four of the provincial Governments are against it. We know that, but the reason why I object to this Bill going to a Standing Committee is that it is a Bill which in my view cannot be amended at all, and to substitute another Bill now is not within the functions of Parliament. It is not at all a question of jurisdiction on the part of either House. To amend the Bill would be one thing, and another would be to attempt to substitute another Bill for it, and that is the only thing that this Committee could result in, and the only good it would do, and that would be irregular. It is not parliamentary practice. If there is to be another Bill brought in, in which provision would be made for contributions and other

terms and conditions, as indicated by some honourable members here, that will have to come as an independent measure: it cannot be brought in by a side wind as an amendment to this Act.

Hon. Mr. STANFIELD: Mr. Chairman, I rise to a point of order. On a motion for a Committee to rise there should be no discussion. It is the same as with a motion to adjourn. I would like to have your ruling.

The Hon. the CHAIRMAN: I am not sure, honourable gentlemen, that this motion is in order, with the conditions attached to it. I am really not clear on that question. An ordinary motion to rise, report progress, and ask leave to sit again would be clearly in order, but I am not sure whether or not it is in order with this addition to it.

Hon. Mr. BEIQUE: Why not?

The Hon. the CHAIRMAN: I could not give a decision on the point now. I will have to put the motion as it is, unless some honourable member can give a reason why it is not in order.

The motion was negatived.

Sections 1 to 7 were agreed to.

On section 8—what persons are pensionable:

Hon. Mr. BEIQUE: Honourable gentlemen, I rise to move an amendment to section 8. The first paragraph reads:

> Provision shall be made for the payment of a pension to every person who, at the date of the proposed commencement of the pension—
> (a) As a British subject, or, being a widow, who is not a British subject, was such before her marriage.

Then follow a number of items. I move:

> That after the word "who," in the second line of section 8, there be added the words, "not belonging to a class of persons excluded from the operation of this Act by regulations passed under section 19 hereof."

Under section 19 the Governor in Council has power to make regulations, and my intention is to supplement this amendment which I now propose by an amendment to section 19 which would read as follows:

> That section 19 be amended by adding a paragraph giving power to provide by regulation for:
> The exclusion of any person or classes of persons from the operation of this Act.

My object is to close the door to the possibility of persons who are in the penitentiaries becoming pensioners under this Act.

Hon. Mr. TANNER: Mr. Chairman, I rise to a point of order. Is it in order to propose a motion that has not been put in writing? I want to ask for information.

Hon. Mr. BEIQUE: It has been put in writing.

Hon. Mr. TANNER: According to the rules a motion that is not submitted in writing is not in order.

The Hon. the CHAIRMAN: I believe not.

Hon. Mr. TANNER: I understand it to be the rule of this House that if an honourable member wants to move an amendment or a motion he must put it in writing.

The Hon. the CHAIRMAN: Certainly.

Hon. Mr. TANNER: I ask if this motion has been put in writing? I think the honourable member must write out his motion. We must have it for record. We must know who makes the motions and who writes them. We have to watch this Bill very carefully, Mr. Chairman.

The Hon. the CHAIRMAN: I have this motion in writing.

Hon. Mr. DANDURAND: Honourable gentlemen, my honourable friend from De Salaberry has stated why he desires this amendment: it is for the purpose of covering an amendment which he intends to move to section 19, to exclude from the operation of that clause any prisoners in jail or penitentiary.

Hon. Mr. BEIQUE: That is one of my objects. There are a number of other classes that might be excluded from the operation of the Act.

Hon. G. G. FOSTER: Yes; inmates of lunatic asylums.

Hon. Mr. DANDURAND: If that is the only object, I would decline to accept the amendment, because the persons to whom the honourable gentleman refers would not be entitled to a pension, as they would be already pensioners of the State.

Hon. Mr. DANIEL: They would be in receipt of $365?

Hon. Mr. DANDURAND: Yes; they would be in receipt of as much as would exclude them from the Bill.

The amendment of Hon. Mr. Beique was negatived.

The Hon. the CHAIRMAN: Shall section 8 be adopted?

Hon. Mr. GRIESBACH: Mr. Chairman, I desire to draw the attention of the Committee to an aspect of the matter which is worthy of consideration. I refer particularly to paragraph (b):

> (b) Has attained the age of seventy years.

May I point out that one incidence of the late war was the premature ageing of individuals who served in the theatre of operations. This fact is known to all those who have come into contact with ex-service men, and in the view of the Department of Soldiers' Civil Re-establishment it constitutes a distinct problem. So I have brought here an amendment, which is written out, to provide that the following be added at the end of paragraph (b):

Or, in the case of ex-members of His Majesty's Forces, who have served in any theatre of operation for not less than four months and who have reached the age of sixty five years.

It may be urged that in view of the fact that the provinces are called upon to pay a certain proportion of the pension, this amendment would seek to lay upon the provinces a liability which properly ought to rest upon the Federal Government. The answer to that is fairly obvious. We have already discussed the constitutional aspect of this case, and it is agreed by all concerned that the matter of old age pensions is primarily one for the Provincial Governments, and that the Federal Government gratuitously steps in to contribute. Therefore the contribution made by the Federal Government amply compensates for this increased obligation. So I move that amendment, seconded by my honourable, gallant and learned friend from Winnipeg (Hon. Mr. McMeans).

Hon. Mr. DANDURAND: Honourable gentlemen, I am very sorry that I cannot accept that amendment. There are two reasons. First, the case of the soldiers described by my honourable friend must be taken care of under a special Bill concerning the soldiers. Secondly, the honourable gentleman would by his amendment necessarily increase the charge which has been allowed by resolution of His Excellency the Governor General. Under these circumstances, I think the amendment is out of order.

Hon. Mr. GRIESBACH: I would ask the opinion of the Chair on that subject.

The Hon. the CHAIRMAN: My opinion is that the amendment is out of order.

Hon. Mr. GRIESBACH: Mr. Chairman, while we are still on section 8, I desire to draw the attention of the House to another matter of great importance, with which this Committee might well deal. I refer now to paragraph (f) of section 8:

Is not in receipt of an income of as much as three hundred and sixty-five dollars ($365) a year.

Let us consider the case of the ex-service man who has a yearly pension, which may or may not exceed the sum of $365 a year. Let us contrast two men who reach the age of 70 at the same time. Let us assume for the sake of argument that a man of 70 is now 50 per cent disabled, and let us put his case side by side with that of an ex-service man of the same age who has also a 35 per cent disability. One of these men has a total disability of 85 per cent; that is to say, 50 per cent disability because he is 70, and 35 per cent disability which he has suffered as a result of the late war, and for which he is pensioned. The other man's disability of 50 per cent is due to the fact that he is 70 years of age. I submit that this Parliament, or this Government, has no right to deduct from that ex-service man the amount of the pension which he has earned under the Pension Act; that, in point of fact, the two cases of disability are not at all equal, and therefore there ought to be excepted from the operation of this Act the amount received by the one man as a military pension.

So I beg leave to move, Mr. Chairman, seconded by my honourable, gallant and learned friend from Winnipeg (Hon. Mr. McMeans):

That after the word "year" at the end of paragraph (f), there be added these words: "Excluding in the computation of such income the amount of any pension paid under the Act to provide pensions to or in respect of members of the Canadian Naval, Military and Air Forces, Chap. 43, 9-10 George V, and amendment thereto.

Hon. W. B. ROSS: It is open to the same objection.

Hon. Mr. DANDURAND: Yes; I was just going to say that this amendment is open to the objection which I formulated a few moments ago.

The Hon. the CHAIRMAN: Under the Custom and Rules of the House, I think it is out of order.

Section 8 was agreed to.

On section 9—when annual value of pensioner's residence not to affect pension:

Hon. Mr. PLANTA: Mr. Chairman, if I understand section 9 aright, it means that a man who, after depriving himself and putting by some savings, has succeeded in acquiring a small home, is obliged, in order to qualify for the pittance of $20 a month, to deed that property to the Government. If I am correct, it seems to me that that is a discrimination in favour of the man who is reckless and ex-

travagant and makes no provision at all for his old age. In the community from which I come, many old people—in fact, I think, most of those who have reached the age of 70—who are in indigent circumstances will possess a small home, and if I interpret this section aright it means that that home will be taken from them. This requirement, I think, will be a great disappointment to them; not only that, but they will refuse to avail themselves of the pension if they are obliged to give up their property. I wish to know whether I interpret this section correctly, because in the recent election this Pension Bill was one of the main issues in the constituency from which I come, and it was held by Liberals that the interpretation placed upon it by opponents was not correct. I gave the interpretation which I have mentioned as being the correct one, and I met a number of old people who were surprised to learn that such was the case. As a result, they voted against the Government candidate, and the Conservative received a larger vote in the constituency than on any former occasion. I would like to know if I am correct.

Hon. Mr. DANDURAND: This is the answer which I am authorized by the Department to make:

This section deals with the case of a pensioner who owns an interest in a dwelling house in which he resides, and allows a transfer of the pensioner's interest in the dwelling to the pension authority which is charged with the payment of pensions. In such case the amount payable to the pensioner is not subject to any reduction in respect of the annual value of the pensioner's interest in the property, but on the death of the pensioner, or upon his ceasing to use the dwelling as his place of residence, the pension authority is entitled to sell the pensioner's interest and to retain out of the proceeds of such sale the amount of any payments which have been made by way of pension in excess of the amount which the pensioner would have received if such interest had not been transferred to the pension authority, together with interest at the rate of 5 per cent. In other words, the section does not sanction the repayment of pensions by the sale of the pensioner's dwelling, but only the recovery of any excess amounts with interest beyond what the pensioner would have received if he had not made the transfer.

Section 9 was agreed to.

Sections 10 to 18 inclusive were agreed to

On section 19—power to make regulations:

Hon. Mr. BELCOURT: I move to add as subsection (s), the following:

(s) The exclusion of persons, or any class of persons, from the operation of the Act.

This is an amendment which my neighbour, the honourable member for De Salaberry (Hon. Mr. Béique) was going to move, but he had to leave the House, and asked me to move it for him. It is based on an argument he advanced, that there are people who surely ought to be excluded from the operation of the benefits of this Act. He mentioned one instance, which I need not repeat, but it seems to be clearly one that would be advisable.

Hon. Mr. DANDURAND: I cannot accept that amendment either. Section 19 allows of regulations, but they are to be "not inconsistent with the provisions of this Act." The amendment which my honourable friend seeks was germane to the section which defined "what persons are pensionable," section 8, but I cannot see that this section 19 should define the classes of persons entitled to benefit. It is Parliament that should define that.

Hon. Mr. BELCOURT: I cannot think that this suggestion of mine is inconsistent with the general spirit of the Act. I cannot conceive for one moment that anybody in the Government, or the Government as a whole, ever intended to apply this Act to the people who are in penitentiaries.

Hon. Mr. DANDURAND: Well, my honourable friend smiled when I answered him a moment ago, but a man who is in a penitentiary is receiving shelter, board, light and heat, and is outside the advantages of this Bill.

Hon. Mr. TANNER: And he gets entertainment: they give him concerts, and all that kind of thing.

Hon. Mr. BELCOURT: If you want to make the Act ridiculous, all you have to do is leave it as it is.

The amendment of Hon. Mr. Belcourt was negatived.

Section 19 was agreed to.

Section 20 was agreed to.

Hon. Mr. BELCOURT: I wish to add a new section 21 as follows:

21. This Act shall not come into force until and unless at least six provinces shall have agreed to co-operate in its application.

I am not going to make any argument, but I submit this.

An Hon. SENATOR: That should have been said before the election.

The motion of Hon. Mr. Belcourt was negatived.

The preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

He said: I consider this the most important Bill of the Session, and I believe that we should give a twenty-four hour notice for the third reading.

Some Hon. SENATORS: No, no.

Hon. Mr. DANDURAND: I am ready to submit to the will of my majority.

Hon. Mr. CASGRAIN: But it must be unanimous.

Hon. Mr. BELCOURT: If the honourable leader objects to the third reading now, it cannot be gone on with.

Hon. Mr. DANDURAND: I do not intend to obstruct my own legislation.

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

NORTHWEST TERRITORIES BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 123, an Act to amend the Northwest Territories Act.

He said: Honourable gentlemen, this Bill is a very simple one. We may be surprised at one expression used in the Bill. It makes an amendment to section 8 of the Northwest Territories Act, chapter 62 of the Revised Statutes of Canada, as amended by chapter 48 of the statutes of 1925, by adding thereto the following paragraph:

The levying of an export tax upon furs exported from the Territories to any other part of Canada or to any foreign country.

When we go into Committee I will ask to strike out the word "foreign" and say "other country." I would ask the second reading of this Bill, and we will now go into Committee of the Whole, and I will give explanations there.

Hon. W. B. ROSS: I do not know that I completely understand this matter. Is it an export from the Territory into one of the provinces, or an export from the Territories into a foreign country? They are two different things. There is a clause in the B. N. A. Act which makes trade inter se free.

Hon. Mr. DANDURAND: I believe that the word "export" is a misnomer. It is rather the word "royalty" that should be used.

Hon. Mr. BELCOURT: But you cannot call it royalty if it is connected with a duty.

Hon. W. B. ROSS: It seems to me that the phrase "to any other part of Canada" is wrong.

Hon. Mr. DANDURAND: I will give the explanation from the Department:

The amount of fur secured annually from the N.W.T., is valued at about two million dollars. Although for upwards of 250 years furs have been taken from the area now known as the N.W.T., yet no tax has ever been imposed. Not only British Subjects but Foreigners are privileged to trap fur in that country and export it, without a tax or royalty of any kind, except a nominal fee for hunting and trading licenses.

The object of this amendment is to place in the hands of the Commissioner in Council authority to enact an Ordinance providing for a tax on the exportation of fur when it is taken out of the N.W.T.

Hon. Mr. BELCOURT: What is meant by "Commissioner in Council"?

Hon. Mr. DANDURAND: That is the title of a special official, who is at present Mr. W. W. Cory, but not in his capacity as Deputy Minister of the Interior.

Hon. Mr. BELCOURT: When did he get that title?

Hon. Mr. DANDURAND: From an Act of Parliament. We learn every day of some functions which are used in the Departments. I confess I did not know this last week. The memorandum from the Department proceeds:

A similar tax is in effect in every other Province, but one, that is in Prince Edward Island, where there is little fur other than that raised on the fox farms. In the Yukon the tax takes the same form as proposed in this Bill, namely; an Export Tax. It is more easily and conveniently administered in this form. The other Provinces call it a Royalty. It is considered, however, that the tax can be more advantageously and effectively collected in the N.W.T., in the form of an Export Tax.

Another reason is that it is not desired to levy a tax on fur remaining in the country. The natives and others who live in that cold country use fur for their clothing, and it is not the intention of the Government that furs made up and used for that purpose should be taxed. It is only when they are exported from the Territories and sent to the fur markets of the World that it is proposed to levy a tax.

It is proposed that the tax will be so much per pelt and will amount approximately to 5 per cent of the value of the pelt. The Game officers of the Prairie Provinces and British Columbia have come together on this question and have fixed on a definite tax on each pelt. It is the intention that our tax will be precisely the same as that in force in the Western Provinces. There are a few exceptions, such as white bear and white fox, which animals do not occur in the Prairie Provinces. In these cases it is the intention to fix a suitable tax.

The Provinces are also urging us to impose this tax. The Game officers of the Provinces tell us that any time a package of fur is

seized the claim is made that it came from the N.W.T. It will materially simplify their work if the Territories also impose such a tax.

The value of fur exported yearly from the North West Territories is approximately $2,000,000 and it is estimated that the tax the first year will amount to over $75,000. This will assist very materially in the administration of that far away country.

I believe this is a very fair proposition. It relates to public property belonging to the Crown. People get licenses as hunters, but large companies are sending out numbers of men to gather these furs, and the stock may be depleted. Thus property of importance is allowed to go without any levy whatever, while the cost of administration of that Territory is considerable, and if we can collect $75,000, that is not a negligible item.

I confess that the words "export tax" surprised me, but as a matter of fact it is a royalty. We sell timber limits, but we get a stumpage tax for every tree felled.

Hon. Mr. BELCOURT: That does not contravene the Act.

Hon. Mr. DANDURAND: No, but I say that this is a property that belongs to Canada in the Northwest Territories, just as is the case of the forest, and it is only just that those who assist in opening that territory should pay a small tax of 5 per cent.

I move the second reading of the Bill.

Hon. Mr. ROBERTSON: Honourable gentlemen, there seems to me to be a principle involved in this Bill, short though it is, that ought to have consideration on the second reading. As I understand the Bill as read, it proposes that the Northwest Territories, although part of the Dominion of Canada, and administered by this central Government, are going to set up a tax against the products of the Northwest Territories that go into other parts of the Dominion. If that is permissible, or made legal, so far as the Northwest Territories are concerned, every one of the nine provinces of Canada can set up tariff walls as between themselves. Surely the B. N. A. Act never contemplated that that was going to be done.

I quite agree with my honourable friend that it is probably desirable to obtain some revenue so far as export from Canada is concerned, because there is no market for furs in the Northwest Territories, and they must be exported from there. If furs come into some other part of Canada, and are subsequently exported to England or the United States, an export duty might be collected; but surely not an export duty on the raw materials coming from one part of Canada into another.

Hon. Mr. McMEANS: They are doing that now.

Hon. Mr. ROBERTSON: If that is the intention, surely it is a serious principle to adopt.

Hon. Mr. DANDURAND: But I draw the attention of my honourable friend to the fact that this tax is levied by the western provinces in the case of their own furs.

Hon. Mr. ROBERTSON: If that tax is levied on furs produced in Saskatchewan, and such furs are shipped into Manitoba, does the province of Saskatchewan tax the Manitoba purchaser?

Hon. Mr. CALDER: No, it taxes its own.

Hon. Mr. DANDURAND: They only tax their own furs in each province.

Hon. Mr. ROBERTSON: Surely that is beyond the jurisdiction of the provincial Government.

Hon. Mr. DANDURAND: My honourable friend is troubled, as I was on first sight, by the words "export tax". I would have no objection—

Hon. Mr. ROBERTSON: The objection is to the exporting "to any part of Canada."

Hon. Mr. DANDURAND: Yes, but as to the levy of an export tax, I would add "or royalty", so as to qualify what the phrase "export tax" means. I have not consulted the Department, but I can take the second reading of this Bill, and if there is any very great objection to the words "export tax" it seems to me that we might qualify those words by adding the other words, and making it "export tax or royalty," which would exactly define what is sought by this Bill. It is only a levy upon furs that belong to the Crown, which represents the Dominion of Canada in the Northwest Territories. The intention is to levy a tax upon each pelt.

Hon. W. B. ROSS: I would think the better construction of the Act would be to levy a tax upon all these pelts as per schedule; but with the proviso that the Governor of the Northwest Territories might remit the tax on those that might be used for home consumption. You are getting on to dangerous ground when you talk of exports. If I went into the Province of Saskatchewan and bought furs, I would have to get them out; and if I were taking them out I would have to pay a tax. Another merchant might buy them and use them locally and pay no tax. You are discriminating against the other provinces.

Hon. Mr. BELCOURT: It seems to me it it a violation of the provisions of the British North America Act, which prevents one province being subjected to any kind of customs duty by another. If you call it a royalty, or give it any other name, you are not changing the nature of it. The contents of the package will remain the same. If it is a tax of one province against another, it is clearly against the British North America Act. The Bill, of course, is confined to Canada, and in that respect it is quite all right.

Hon. Mr. CALDER: I would suggest that this Bill go to Committee, because it has a good many angles to it, and if we take it up here we are going to get into a discussion a good deal of which will be out of order.

I think the reason why the Department has put the Bill in its present shape is this. The furs are gathered by thousands of Indians and half-breeds in the Northwest Territory. You cannot tax those individuals. The furs are then sold to companies which take them out of the country. If you were to attempt to put a tax on the persons who first got the furs, you would have the greatest difficulty in the world; consequently the idea has been conceived of imposing a tax on the furs where they are exported. I think that is the reason for the Bill, and I think that is the only practical way in which the tax could be levied.

Hon. Mr. BELCOURT: That does not make it any better.

Hon. Mr. CALDER: Not a bit. It is for that reason that I suggested that the Bill should be allowed to receive its second reading, on the understanding that we are not committing ourselves to the principle of the Bill. My own view is that eventually this tax will be paid by the hunter and trapper who gets the furs, and I object to the tax altogether. It is true that the company may pay the tax; but in my opinion the trapper who does the work is going to get so much less for his furs. This only amounts to some $75,000, and when you consider the people away out there in the wilds doing their work, I think you will agree with me that it is doubtful whether it is worth while.

Hon. Mr. BELCOURT: What is the use of our passing a law which the courts would declare to be in violation of our powers?

Hon. Mr. DONNELLY: The illustration given by the Leader in regard to the payment of a royalty is not applicable in this case. As I understand, the royalty is collected without regard to whether the furs are exported or not.

Hon. Mr. CALDER: I would suggest that the second reading go, and that we have an opportunity to discuss the Bill in Committee, without committing ourselves to the principle in the meantime.

Hon. Mr. DANDURAND: I am agreeable to that.

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

At six o'clock the Senate took recess.

The Senate resumed at 8 p.m.

RURAL CREDITS BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 62, an Act for the purpose of establishing in Canada a system of Long Term Mortgage Credit for Farmers.

He said: Honourable gentlemen, I may say that last year this Bill received very careful attention at the hands of one of the Committees of the Senate, and some amendments were made to it. The Bill which now comes to us from the Commons establishes a Board which will be known as the Canadian Farm Loan Board, which shall consist of four members, one of whom shall be the minister, who shall be the chairman thereof, and the other three of whom shall be appointed by the Governor in Council. One of the members so appointed shall be designated the Canadian Farm Loan Commissioner. Compensation will be provided.

The Board shall have power to issue and sell bonds to be known as Canadian Farm Loan bonds, to buy the same on its own account, and to retire the same at or before maturity. It shall also have the power to invest its funds in debentures, bonds, stocks or other security.

The capital requirements of the Board shall be provided as follows:

The Government of Canada shall provide an initial capital to an amount not exceeding five million dollars to be paid to the Board in such amounts and at such times as the Board may determine. The amounts provided from time to time under this subsection shall be free from interest charges for a period of three years, after whicch time interest shall be charged at the rate of five per cent per annum.

This part of the Bill is on the same lines as the Bill of last year, which was approved by this Chamber.

In addition to the initial capital provided for in the preceding subsection, the Board shall issue capital stock in shares of one dollar each, which capital stock shall at all times equal, as nearly as may be fifteen per

cent of the total farm loan theretofore paid and not fully repaid. The said shares shall be non-transferable, except at the option of the Board, and shall be subscribed for in the following manner: five per cent of the loan by the Government of Canada, five per cent by the provinces, and five per cent by the borrower.

The Bill provides machinery for loans being made to farmers. Loans shall be made only on the security of first mortgages on farm lands up to fifty per cent of the Board's appraised value of such lands.

The proceeds of such loan shall be used for certain specified reasons, and the loans shall be made only to parties engaged in the cultivation of the farm.

Hon. W. B. ROSS: I think that if the honourable gentleman would just point out how far the Commons have gone back on what we did last year, that would satisfy us.

Hon. Mr. DANDURAND: What I do remember are these two points. There was considerable discussion as to the rate which should be charged on loans. The rate was to be the cost of the money plus the cost of administration. When the Bill came to us it said, "plus the cost of administration, not to be more than one per cent, and reserves for depreciation and loss."

Hon. Mr. GRIESBACH: All to be included in the one per cent?

Hon. Mr. DANDURAND: No, outside of the one per cent for administration. The Senate struck out that maximum figure of one per cent.

Hon. Mr. ROSS: No; we put it in.

Hon. SMEATON WHITE: No; we took it out.

Hon. Mr. DANDURAND: Yes, it came in without the maximum.

Hon. Mr. ROSS: Without a limitation, and we put in a limitation of one per cent.

Hon. Mr. DANDURAND: The Bill comes to us with this statement:

> The interest rate on loans under this Act shall be such a rate in excess of the interest rate yielded at the time of issue by the last series of Farm Loan bonds issued by the Board as shall be sufficient, in the judgment of the Board, to provide for the expenses of operation not exceeding one per cent of the amount of the loan—

Hon. Mr. ROSS: That is not in the Bill as it comes to us now?

Hon. Mr. DANDURAND: Yes. But my honourable friend corrected me unduly. We struck out that maximum of one per cent.

Hon. SMEATON WHITE: That is right.

Hon. Mr. ROSS: Yes.

Hon. Mr. DANDURAND: We struck out the maximum of one per cent in order to allow the cost of administration to be absorbed in the amount of interest to be paid.

In answer to my honourable friend from Edmonton (Hon. Mr. Griesbach), I continue reading:

> —to provide for the expenses of operation not exceeding one per cent of the amount of the loan and for the necessary reserves for losses.

So my honourable friend will see that under this Bill the interest will be the cost of the money, the one per cent added as a maximum for administration, and a certain amount, which is not fixed, to cover the necessary reserves for losses.

Hon. SMEATON WHITE: But the one per cent covers all that.

Hon. Mr. DANDURAND: No.

Hon. SMEATON WHITE: That is the way it reads.

Hon. Mr. DANDURAND: "One per cent of the amount of the loan and for the necessary reserves for losses."

Hon. G. G. FOSTER: We decided last year that that was not enough.

Hon. SMEATON WHITE: If these bonds are sold at 3½ per cent you are going to lend that money at 4½, and it may be worth 7.

Hon. Mr. DANDURAND: No; if the money is 5 per cent—

Hon. SMEATON WHITE: But it is a Government bond. It is a special bond; it may be sold at 3½ per cent, or 4 per cent.

Hon. Mr. DANDURAND: Say 4.

Hon. SMEATON WHITE: Well, 4. Even though the current price of money is 7 per cent, these farm loans are going to be made at 5.

Hon. Mr. DANDURAND: If we can obtain money at 4 per cent.

Hon. SMEATON WHITE: Yes.

Hon. Mr. DANDURAND: Then under this Bill we shall add one per cent for administration. That will make 5 per cent.

Hon. SMEATON WHITE: And losses.

Hon. Mr. DANDURAND: No.

Hon. Mr. GRIESBACH: It looks that way now.

Hon. Mr. WILLOUGHBY: And something more for losses.

Hon. SMEATON WHITE: Nothing more for losses; one per cent.

Hon. Mr. DANDURAND: We will discuss that in Committee, but as the Bill came last year, there was a distinct charge of one per cent for administration.

Hon. Mr. GRIESBACH: For everything.

Hon. Mr. DANDURAND: A fixed maximum charge of one per cent for administration, but there was no fixed amount for reserves. That is as far as my memory carries me.

Hon. Mr. GRIESBACH: The situation last year, as the Bill came to us, was that the interest rate on mortgages would be the cost of the money plus one per cent, which included everything.

Hon. Mr. DANDURAND: Last year?

Hon. Mr. GRIESBACH: Last year. That is my understanding.

Hon. Mr. DANDURAND: No.

Hon. Mr. GRIESBACH: My understanding, further, was that the Senate Committee recommended that the rate of interest to the borrower should be the cost of the money plus provision for administration, for reserves and everything else, without any figure being set by way of maximum or minimum.

Hon. Mr. ROSS: No. I think the honourable gentleman is right in stating that they had to add in the interest the expense of operation, and that was not to exceed one per cent; but they had to add also for the necessary reserves for losses.

Hon. Mr. GRIESBACH: In the original Bill from the Commons?

Hon. Mr. ROSS: Yes.

Hon. Mr. DANDURAND: There was one of the differences between the Bill as it reached here and the Bill as it left this Chamber. The Senate refused to fix a maximum figure of one per cent outside the cost of the money.

Hon. Mr. ROSS: Some of the evidence was that it would cost 1.45 for administration.

Hon. Mr. DANDURAND: I do not remember now, but we did have evidence on that point. The Bill as it left the Senate provided also for a special accounting of the operations in each province. I do not see such a provision in this Bill. It was made at the suggestion of the honourable gentleman from De Salaberry (Hon. Mr. Béique).

Hon. Mr. ROSS: Yes.

Hon. Mr. DANDURAND: And he gave as a reason that with that amendment there were hopes of getting Ontario and Quebec to come into this scheme, because then they might expect to be able to lend money to their people at a rate which would tempt the farmers, whereas if the whole cost of administration were left in a general accounting there would be reason to fear that the interest asked would be so much higher than the cost of the money in the markets of the East that they would not enter this scheme. We remember that the province of Ontario was lending money obtained from its savings banks at 5½ per cent. I do not remember what figure was mentioned for current loans in the province of Quebec.

At all events, I think these are the two important changes. There may have been others, but, as I have not before me the Bill as amended by the Senate and sent back to the Commons, I cannot say exactly how nearly the present Bill approaches that which we worked upon.

Hon. Mr. ROSS: I would suggest to honourable gentlemen that they might have prepared what I have here—a comparison of the Bill as it left us last year with the Bill as it comes back to us now. It can be made very shortly by the officers of the House. It would be a great advantage to the honourable members in dealing with the Bill in Committee. Of course I am opposed to the Bill, but I know that it passed the second reading last year by a large majority and was referred to a special Committee. I think that it need not go to any special Committee this time; that it is quite sufficient now to consider it in Committee of the Whole; but it would be enormously helpful to have before us, in dealing with it, a copy of the present Bill together with the clauses in the Bill of last year that have been taken out.

Hon. Mr. DANDURAND: The Bill as it left the Senate last year was not reprinted with the amendments, and I do not suppose it was reprinted for the Commons. So we would have to ask the Clerk to try to obtain for us the Bill of last Session.

Hon. Mr. WILLOUGHBY: There is one point which the honourable gentleman has not yet clarified to my satisfaction: that is, the

part with regard to the rate of interest as stated at the top of page 5. There seems to be a diversity of opinion as to what this means:

Shall be such a rate in excess of the interest rate yielded at the time of issue by the last series of Farm Loan bonds issued by the Board as shall be sufficient, in the judgment of the Board, to provide for the expenses of operation not exceeding one per cent of the amount of the loan and—

It is when you come to the word "and" that the trouble occurs. I think it means also:

—and for the necessary reserves for losses.

That is, in addition to the 5 per cent. I read it to mean "and also."

Hon. Mr. DANDURAND: I would ask my honourable friend to look at the words "to provide"—"shall be sufficient, in the judgment of the Board, to provide"—what? "To provide for the expenses of operation not exceeding one per cent of the amount of the loan and"—to provide, remember—"for the necessary reserves for losses."

Hon. Mr. GRIESBACH: That is, one per cent covers both?

Hon. Mr. DANDURAND: No.

Hon. Mr. WILLOUGHBY: That is exactly my view, but I hear some honourable gentlemen advance the opposite view. I think it is right to read it as meaning "and also."

Hon. Mr. DANDURAND: I think the two phrases are governed by the words "to provide."

Hon. Mr. CALDER: Honourable gentlemen, I have a suggestion to make. We considered this Bill at great length in a special Committee last Session, yet for the life of me I cannot remember the details of our discussions or decisions. We had with us Mr. Finlayson, of the Finance Department, who followed our proceedings very closely and gave us a great deal of assistance and advice in connection with this measure. I would suggest that the honourable leader on the other side get into touch with Mr. Finlayson and have him prepare a statement of the difference between this Bill and the Bill which left our House last Session; and that the honourable leader simply place that on Hansard, so that we may all be able to pick up the threads and understand where we were a year ago. Mr. Finlayson, who knows all the details of the Bill and has all the records before him, will be able to prepare that statement very easily, and I think that once we get his statement of the changes in the Bill we shall be able to follow it more easily.

Hon. Mr. DANDURAND: The first thing to do is to obtain the Bill itself as adopted by the Senate, in order to send it to Mr. Finlayson.

Hon. Mr. CALDER: Yes.

Hon. Mr. DANDURAND: But when we have got that Bill we can all see what the difference is. However, I have no objection to asking Mr. Finlayson to give us that statement.

Hon. Mr. CALDER: Just a brief statement as to the changes that were made.

Hon. W. B. ROSS: Our own clerks can give us that, because they have the record. I have a copy.

Hon. Mr. DANDURAND: Of the Bill as it left the Senate?

Hon. Mr. ROSS: Yes. I have had it prepared so as to show the differences between the present Bill and the Bill of last year.

Hon. Mr. CALDER: The trouble is that, while my honourable friend has a copy of the changes, and the honourable leader on the other side has a copy, we all have not. I would like to have it before me. My suggestion is that a statement of the changes be prepared by Mr. Finlayson, instead of the Clerk of the House being asked to make copies for us all, and that the honourable leader of the House simply place Mr. Finlayson's statement on Hansard at our next sitting. Then we shall all have it. It is very easily prepared, and there is no hurry for it.

Hon. Mr. DANDURAND: I am moving the second reading now, and we shall go into Committee on Tuesday next.

Hon. Mr. McMEANS: This Bill is of such vast importance to the whole of Canada that I do not like to let the opportunity pass without making a few remarks. The honourable leader stated this afternoon that in his opinion the Pension Bill was the most important measure that had come before this House. I consider the present Bill of far greater importance. The Pension Bill provides for the expenditure of huge sums of money, but this Bill, if it is drafted as it should be, and if it is carried into effect, will probably provide the money to pay the pensions.

In my humble judgment, if this Bill is going to be a success, it must be along somewhat different lines. It provides for the Loan Board selling their bonds for what they can get for them in the market. The primary object is to raise money so that it may be lent to the farmers in a scheme of repayment

extending over thirty years, and the great success of the Bill will depend upon the amount of interest they can get. The Government is to lend $5,000,000 for three years without interest. The Government is vitally interested. But if those bonds are not guaranteed by the Government, how are you going to sell them on the market, especially on mortgages in western territory, of which the company representatives called before the Committee that examined this Bill did not speak very favourably. The Government is willing to advance this Farm Loan Board $5,000,000 for three years, and that will no doubt be an advantage, but in order to carry out the principle of the Bill and make it a success the Government might as well consent to guarantee the bonds of the Loan Board. There does not seem to be much risk about it. It is behind the scheme, and its guarantee will make the difference between failure and success. I point this out to the honourable leader of the Government. I do not know whether he has ever considered it or not; but it is of vital importance to the West, and indeed to the whole of Canada, that this scheme should be carried to complete success.

Dr. Tory gave evidence at great length, showing how the Government of the United States, in order to secure money at a cheap rate for the scheme there, had subscribed for bonds to an extraordinary amount, which I am almost afraid to mention; I think it was about a billion dollars. The only way to make the Canadian scheme a success is to have the Government guarantee the bonds, so that the Loan Boards may go into the markets of the world and get money at the lowest possible rate.

Hon. Mr. GRIESBACH: What is the actual risk taken by one of those Farm Loan Boards? Is it the risk of failure of the whole scheme, or what? Is there not a bond guarantee by implication, in any case?

Hon. Mr. DANDURAND: I think those bonds stand very high in the American market.

Hon. Mr. GRIESBACH: Because they are guaranteed specifically?

Hon. Mr. DANDURAND: No.

Hon. W. B. ROSS: Yes, and more than that, they are tax-free; that is what gave them their standing.

Hon. Mr. McMEANS: I would also point out that local Governments like those of Saskatchewan and Manitoba raise money for the Farm Loan Boards that way, by a guarantee of the Farm Loan bonds. I would like to see the Act amended in that way, if possible.

Hon. Mr. DANDURAND: I am ready for the second reading of the Bill and the sending of it to Committee of the Whole, but it would appear to be desirable to have it studied in the Banking and Commerce Committee, where it could be examined clause by clause, with the amendments that were made by the Senate last year. Of course my duty is to present the Bill as it is, and move the adoption of every clause.

Hon. Mr. GRIESBACH: It may be found on examination of the Bill as it comes from the Commons that some features have been introduced which would require investigation by a Select Committee—such investigation as the Committee of the Whole House cannot give—involving the calling of witnesses, experts, etc.

Hon. Mr. CALDER: My recollection of this feature of the Bill—and I tried to follow it very closely—is that, while the Dominion Government advances $5,000,000 in the first place, it is going to be a long time getting it back; consequently there is security for $5,000,000 there. I remember quite well that both Mr. Finlayson and Dr. Tory spoke of that feature, and time and again I asked when that $5,000,000 would be going back to the federal treasury, but I could never get a satisfactory answer. The result is that so far as those securities are concerned that are issued by the Farm Loan Board, the amount advanced by the Dominion Government, this $5,000,000, is held as well as the mortgages behind it, so the Loan Board will have no difficulty at all in getting money at a low rate of interest.

After the very full and complete investigation we had last year on the controversial points in the Bill, I doubt very much whether there is any necessity for sending this Bill back to the Committee. We spent weeks on this measure, and I think if we get a clear statement from Mr. Finlayson as to the changes that have been made in the Bill in another place we shall know the exact situation and can then deal with the Bill on its merits.

Hon. Mr. DANDURAND: All right.

Hon. Mr. McMEANS: I think that Dominion loan of $5,000,000 is repayable at 6 per cent after three years.

Hon. Mr. CALDER: I am not certain about that, but I am quite sure that that loan from the federal Government is going to remain a long time out of the Dominion treasury.

Hon. Mr. McMEANS: But it gets the interest on it.

Hon. Mr. CALDER: No, I will not admit that it is even to get its interest on it.

Hon. Mr. McMEANS: Oh yes, after three years.

Hon. Mr. CALDER: After three years, yes.

Hon. Mr. McMEANS: But when we go out into the market with these bonds we find the Government itself getting money at 5 per cent. How can the Farm Loan people expect to get money any cheaper from bondholders? And it is cheap money that is going to do the turn.

Hon. Mr. MURPHY: Might I ask my honourable friend opposite (Hon. Mr. Calder) if the evidence taken before that Select Committee last year was printed?

Hon. Mr. CALDER: I think it is summarized.

Hon. Mr. McMEANS: No, it is printed in detail, every question and answer, and I have a copy of it. In fact I was going to read from Dr. Tory's evidence showing that the introduction of this legislation would be the saving of the country. He quoted what was said in Dakota, that the establishment of the Loan Bank there saved that State.

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

DIVORCE BILLS

SECOND AND THIRD READINGS

Bill Y5, an Act for the relief of Jessie Wright.—Hon. Mr. Willoughby.

Bill Z5, an Act for the relief of Audrey Idelle Knowles.—Hon. Mr. Willoughby.

Bill A6, an Act for the relief of William Edward Couch.—Hon. Mr. Willoughby.

WAR CHARITIES REPEAL BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 114, an Act to repeal the War Charities Act, 1917.

He said: Honourable gentlemen, I asked for some information from the Under-Secretary of State, who has had something to do with this Bill, and who supervises all those societies. He says, in regard to the War Charities Act:

> There appears to be no substantial reason for perpetuating it. The war justified this Dominion legislation. Paragraph 7 of Section 92 of the British North America Act should be borne in mind in discussing the subject. It is as follows:
>
> "The establishment, maintenance and management of hospitals, asylums, charities and eleemosynary institutions in and for the Province, other than marine hospitals."
>
> There can be no doubt that charities are subject to provincial control, and it was the mere fact of the war that gave the Dominion jurisdiction. If a crop of these societies started to-morrow, as Senator Ross suggests, they would be subject to provincial control, and the ordinary provincial machinery is sufficient to cope with any difficulty which may arise in this way. During the war and shortly thereafter there was a very large number of societies which required close supervision, and it was for this purpose mainly that the legislation was enacted. Now we find that, with the exception of twenty societies, the only licensed societies are all branches of the Daughters of the Empire or of the Great War Veterans Association. These organizations are under sufficient control without the War Charities Act. Moreover, the bulk of the twenty remaining are also under control to this extent, that they are required to make annual returns, as they are incorporated associations. The fact that the necessity for this legislation has passed is shown from the few applications to come under the Act which have been made within the last few years.

I move the second reading of the Bill.

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

THIRD READING

Hon. Mr. DANDURAND: As there is no reason for taking the Committee stage, I move the third reading of the Bill.

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

EXCISE BILL

FURTHER CONSIDERED IN COMMITTEE

The Senate again went into Committee on Bill 119, an Act to amend the Excise Act.

Hon. Mr. McMeans in the Chair.

On section 11, subsection 3—certificate of analysis of departmental or provincial analyst to be evidence.

Hon. Mr. BELCOURT: I move that the words "prima facie" be added after the words "accepted as" in the third line.

The amendment was agreed to, and section 11, as amended, was agreed to.

On section 12—Penalties for sale of spirits unlawfully manufactured.

Hon. Mr. DANDURAND: I have a new draft of section 185. Honourable gentlemen will remember that it was suggested that the penalty was too high for the purchaser who was found in possession of a bottle of whiskey. The penalty was $2,000 as a maximum, and $500, I think, as a minimum. The draft makes a distinction between a person who sells or offers for sale and a person who is not a dealer, but who purchases. This is the new section which I propose:

185. (1) Every person who sells or offers for sale, or who being a dealer therein purchases, or has in his possession any spirits unlawfully manufactured or imported, whether the owner thereof or not, without lawful excuse, the proof of which shall be on the person accused, is guilty of an indictable offence, and shall for a first offence be liable to a penalty not exceeding two thousand dollars and not less than two hundred dollars, and to imprisonment, with or without hard labour, for a term not exceeding twelve months and not less than one month, and in default of payment of the penalty, to a further term of imprisonment not exceeding twelve months and not less than six months, and for every subsequent offense to a penalty not exceeding $2,000 and not less than $500, and to imprisonment with hard labour, for a term not exceeding twelve months and not less than six months, and, in default of payment of the penalty, to a further term of imprisonment equal to that already imposed by the court for such subsequent offense: and all spirits so unlawfully manufactured or imported wheresoever they are found, and all horses, and vehicles, vessels and other appliances which have been or are being used for the purpose of removing the same, shall be forfeited to the Crown, and shall be dealt with accordingly.

Hon. Mr. GRIESBACH: What do the words "removing the same" mean? That is very limited. It might mean used in connection with this unlawful business.

Hon. Mr. DANDURAND: The carrying from one place to another.

Hon. Mr. GRIESBACH: The common meaning is the removal from the place where it is to the place of custody. Surely a better phrase could be used.

Hon. Mr. DANDURAND (reading):

And all spirits so unlawfully manufactured or imported wheresoever they are found, and all horses, and vehicles, vessels and other appliances which have been or are being used for the purpose of removing the same, shall be forfeited to the Crown.

That is all the vehicles, vessels and so forth. Naturally they are for the purpose of removing the unlawfully manufactured alcohol.

Paragraph 2 says:

Every person not being a dealer therein who purchases, or has in his possession any spirits unlawfully manufactured or imported, whether the owner thereof or not, without lawful excuse, the proof of which shall be on the person accused, shall for a first offense incur a penalty not exceeding $500 and not less than $200, and for each subsequent offense a penalty of $500; and all spirits so unlawfully manufactured or imported wheresoever they are found, and all horses and vehicles, vessels and other appliances, which have been or are being used for the purpose of removing the same, shall be forfeited to the Crown, and shall be dealt with accordingly.

I move to substitute this new clause for the clause in the Bill.

Hon. Mr. BELCOURT: Honourable gentlemen, I had occasion the other day to make certain observations with regard to the doctrine, or want of doctrine, involved in this clause. To me it seems to be a violation of the principle upon which the criminal law has been based in the Old Country and in this country. It is a very marked departure from the rule which prevails in all courts under British jurisdiction, that the accused is innocent until he is proven guilty. I strongly object to the onus of proof of innocence being put upon the accused. The rule of law is that the onus of proof of the crime is upon the Crown. Why there should be a departure from that sound rule in this instance, I cannot see. I do not think the matter involved is of such a serious character as to warrant such a departure. I would therefore move that the words "the proof of which shall be on the person accused" be stricken out.

Hon. W. B. ROSS: There are two places where those words occur. I am with the honourable gentleman in his contention, but I would point out to him that in the proposed amendment section 185 has been broken into two parts. The first part deals with a person who sells or offers for sale, or who, being a dealer therein, purchases or has in his possession. The burden of proof is thrown on that man. I do not mind that so much. But in paragraph 2 of the amended clause the burden of proof is put on a man who, not being a dealer therein, purchases or has in his possession.

Hon. Mr. BELCOURT: That is the case I am after too.

Hon. W. B. ROSS: I would suggest to my honourable friend that in moving to strike out those words it might be well to adopt the language of section 185 as it has been in former years, namely:

Every person who sells or offers for sale, or who purchases any spirits, or has any spirits in his possession, knowing them to have been unlawfully manufactured or imported—

Hon. Mr. BELCOURT: I agree to that.

Hon. Mr. DANDURAND: Let us understand well what we are trying to amend. I have moved to substitute a new text, which is in two paragraphs, for clause 185 as it appears in the Bill. Is my honourable friend trying to amend the two paragraphs, or only one?

Hon. W. B. ROSS: No, we are letting one go.

Hon. Mr. GRIESBACH: What is the meaning in law of the words "lawful excuse"?

Right Hon. Mr. GRAHAM: An excuse that is good in law.

Hon. Mr. DANDURAND: Yes, an excuse that will be accepted as a satisfactory one.

Hon. Mr. GRIESBACH: Is that a happy phrase in the statute?

Hon. Mr. DANDURAND: It is a phrase that is to be found in many places in the Customs Act.

Hon. Mr. BARNARD: It does not include ignorance, evidently.

Hon. Mr. DANDURAND: No. The Customs Act for many years has contained such a phrase. I cite section 207:

> Any person who, without lawful excuse, the proof of which shall be on the person accused, sends or brings into Canada, or who, being in Canada, has in his possession, any bill-heading, or other paper appearing to be a heading or blank, capable of being filled up and used as an invoice, and bearing any certificate purporting to show, or which may be used to show, that the invoice which may be made from such bill-heading or blank is correct or authentic, is guilty of an indictable offense.

Now, as the first paragraph of this proposed new section has been accepted, I move the adoption of the second paragraph.

Hon. Mr. BELCOURT: My amendment would be to insert the word "knowingly" before the word "purchases", and to strike out the words "without lawful excuse, the proof of which shall be on the person accused." The paragraph would then read:

> Every person not being a dealer therein who knowingly purchases, or has in his possession any spirits unlawfully manufactured or imported, whether the owner thereof or not, shall for a first offense incur a penalty not exceeding $500 and not less than $200.

Hon. Mr. DANDURAND: I object most decidedly to that amendment.

Hon. W. B. ROSS: I would suggest that the honourable gentleman make that read:

> Every person not being a dealer therein who purchases or has in his possession any spirits, knowing them to have been unlawfully manufactured or imported.

Hon. Mr. BELCOURT: That is all right. I think it is the same thing.

Hon. Mr. GRIESBACH: I shall vote against this amendment although I quite appreciate what the honourable gentleman from Ottawa (Hon. Mr. Belcourt) says of the custom in the past, as to the onus of proof being upon the Crown in criminal cases. I would draw attention to the fact, however, that we are dealing with an Act to prevent smuggling, which has to do with liquor. The great bulk of the people do not regard smuggling as a crime; neither do they look upon dealing in liquor as a crime. In many of the liquor laws of Canada at this moment the burden of proof is upon the accused; otherwise the officers of the Government would be absolutely unable to prove their cases. Everybody conspires to assist the so-called criminal. Unless you give the officers this leverage they will never secure a conviction; and inasmuch as many people, as I have already said, do not regard smuggling or the handling of liquor as a crime, perhaps we should not be too strict in the application of the old principle.

Hon. Mr. BELCOURT: The answer to the honourable gentleman is that this case is not in any way different from the case of stolen goods. The difficulty of proving the receiving of stolen goods is exactly the same.

Hon. Mr. GRIESBACH: Everybody in Canada admits that dealing in stolen goods is a crime.

Hon. Mr. BELCOURT: This will be a crime from now on.

Hon. Mr. GRIESBACH: We say that it is a crime, but the public do not believe it.

Hon. Mr. BELCOURT: If they do not, they may have to go to gaol for twelve months and pay $5,000. They will soon have to believe it. I do not see any difference at all between the two cases.

Hon. Mr. GRIESBACH: The honourable gentleman's amendment would take the teeth out of this law.

Hon. Mr. BELCOURT: Perhaps it has too many teeth.

Hon. Mr. DANDURAND: I object to the amendment proposed because it will place upon the prosecution the obligation of establishing that the person found with the alcohol in his possession knew that it came from an illegal source, or that duty had not been paid upon it.

Hon. Mr. BELCOURT: Certainly.

Hon. Mr. DANDURAND: With the section in that form on the Statute Book it would be impossible, or nearly impossible, to establish the guilt of the accused. As I say, the Customs Act and similar Acts declare that in such a case the onus is upon the person found in the possession of unlawfully obtained goods to give a lawful excuse. When a man is caught with goods in his possession, that fact is clear; and, as in the case of stolen goods, it is for him to justify himself. If the onus is laid upon the prosecutor, in 99 cases out of 100 there will be no prosecution. The Act is amended in order to conform with most of the enactments in the Customs Act bearing upon similar cases.

We are trying to prevent the unlawful distilling of alcohol, to prevent the work of the bootlegger. There has been considerable discussion as to the value of the Customs Act in this regard, and we are asking that the Department be given a chance to wrestle with the botlegger and those who buy from him. I repeat when a man is caught with the goods in his possession, it is for him to establish his good faith and sincerity, and to furnish a lawful excuse. Under these circumstances I ask this Chamber not to entertain the proposal of my honourable friend.

Hon. Mr. GILLIS: In this connection I would like to relate an incident that came under my own observation. A number of young fellows who went into a restaurant and were having a good time, had some moonshine liquor with them, unknown to the restaurant keeper. When they left the place there remained behind in a corner a small bottle with probably an ounce of the liquor in it. The police happened to raid the place the next day, and that man was fined $200. I think the penalty under the Act as it stood before was quite sufficient, without making it any heavier for people who may be caught in that way. Many cases of a similar nature have been brought to my attention; in fact, they are to be found practically all over the western country.

Hon. Mr. DANDURAND: I draw the honourable gentleman's attention to the fact that we have stiffened the penalty only in the case of the dealer. That paragraph has been passed. Now we are dealing with another class of people, the purchasers, and in that case the penalty is the same as it was in the Act which we are seeking to amend.

Hon. W. B. ROSS: I suppose the honourable Leader of the Government will admit that these legislative rules are not like the laws of the Medes and Persians, with one fixed form and never a departure from it. The fact of the matter is, you have to make the punishment fit the crime. You must deal with your facts. I think that we have done very well with him in regard to subsection 1. I do not see why we should deny him what he wants there, because it seems to be fair that a person who sells or offers for sale, or who is a dealer, should have more legal liability thrust on him than, say, a farmer, or a carpenter, or a coal-heaver, who is not used to the ways of business at all. Someone may sell him or give him a bottle with alcohol in it, and to say that this man must justify himself and prove that it did not come into the country unlawfully, or was not manufactured or distilled unlawfully, is, I think, going too far. Subsection 2 is not on the same lines as subsection 1. Possibly subsection 2 would give some sort of redress or satisfaction to the distiller, who in one of the preceding sections has his fine increased from $500 to $2,000. Perhaps this would help him out in that respect. But I am not interested in the distiller at all. What I do want to see—and I entirely agree with the honourable member from Ottawa (Hon. Mr. Belcourt)—is that the ordinary man moving about in the country may feel that he is a free Canadian and not be liable, at the turn of a corner, or the opening of a lid, or the removal of his overcoat, to find himself treated as a criminal, without any evidence at all, but simply because he may happen to have, for a variety of reasons, a small quantity of alcohol in his possession. The man who is dealing and trading in alcohol, again, is on a different footing. I do hope the House will insist upon making this what I think is Christian legislation.

The Hon. the CHAIRMAN: It has been moved by Hon. Mr. Dandurand that subsection 2 of section 185 be agreed to. It has been moved in amendment by the honourable member from Ottawa (Hon. Mr. Belcourt) that the words "without lawful excuse, the proof of which shall be on the person accused" be struck out.

Hon. Mr. BELCOURT: Not only that; I want to have certain words inserted. May I read the clause as I propose it should read?

Every person not being a dealer therein who purchases, or has in his possession any spirits—

I want to have inserted there the words "knowing them to have been"—

—knowing them to have been unlawfully manufactured or imported, whether the owner thereof or not—

Then strike out the words, "without lawful excuse, the proof of which shall be on the person accused."

Hon. Mr. ROBINSON: Why strike out "without lawful excuse"?

Hon. Mr. BELCOURT: It is not necessary.

The amendment of Hon. Mr. Belcourt was agreed to on the following: contents, 14; non-contents, 13.

Section 12 as amended, was agreed to.

Hon. Mr. DANDURAND: All the other clauses were passed.

The Bill was reported as amended.

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

PRIVATE BILL

FIRST READING

Bill C6, an Act respecting the Algoma Central and Hudson Bay Railway Company. —Right Hon. Mr. Graham.

The Senate adjourned until to-morrow at 11 a.m.

THE SENATE

Friday, March 25, 1927.

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

DIVORCE BILLS

FIRST, SECOND AND THIRD READINGS

Bill D6, an Act for the relief of Clara Cairney.—Hon. Mr. Willoughby.

Bill E6, an Act for the relief of Annie Sophia Gordonsmith.—Hon. Mr. Willoughby.

Bill F6, an Act for the relief of May Elizabeth Chambers.—Hon. Mr. Willoughby.

Bill G6, an Act for the relief of Violet Gladys Cockerton.—Hon. Mr. Willoughby.

Bill H6, an Act for the relief of Mary Eleanor Kennedy Ledden.—Hon. Mr. Willoughby.

Bill I6, an Act for the relief of Arlee Lillian Helmsley.—Hon. Mr. Willoughby.

Bill J6, an Act for the relief of Merton Egbert Ellsworth Kittredge.—Hon. Mr. Willoughby.

Bill K6, an Act for the relief of William Newton Anglin.—Hon. Mr. Willoughby.

Bill L6, an Act for the relief of Annandale Ramsden.—Hon. Mr. Willoughby.

Bill M6, an Act for the relief of Willie Rosenberg.—Hon. Mr. Willoughby.

CANADIAN NATIONAL RAILWAY BRANCH LINE BILLS

FIRST AND SECOND READINGS

ST. FELICIEN-MISTASSINI RIVER, AND HEBERTVILLE-SAVANNE FALLS

Hon. Mr. DANDURAND: Honourable gentlemen, it has been suggested that this Bill and others that are to follow should be sent as soon as possible to the Standing Committee on Railways, Telegraphs and Harbours, where we may get direct information from the engineers of the Canadian National Railways.

Hon. W. B. ROSS: Tuesday morning?

Hon. Mr. DANDURAND: I will consult the Chairman of the Committee and notify the Canadian National Railways.

Bill 124, an Act respecting the construction of Canadian National Railway lines between St. Felicien and Mistassini River and between Hebertville and Savanne Falls, both in the Province of Quebec.—Hon. Mr. Dandurand.

GRAND MERE-EAST BURRILLS

Bill 125, an Act respecting the construction of a Canadian National Railway line between Grand Mere and East Burrills, in the Province of Quebec.—Hon. Mr. Dandurand.

PILKINGTON-NIAGARA JUNCTION

Bill 126, an Act respecting the construction of a Canadian National Railway line between Pilkington and Niagara Junction in the Province of Ontario.—Hon. Mr. Dandurand.

WEYBURN-RADVILLE

Bill 127, an Act respecting the construction of a Canadian National Railway line between Weyburn and Radville, in the Province of Saskatchewan.—Hon. Mr. Dandurand.

WILLOWBROOK NORTHWESTERLY

Bill 128, an Act respecting the construction of a Canadian National Railway line from Willowbrook Northwesterly, in the Province of Saskatchewan.—Hon. Mr. Dandurand.

STURGIS-PEESANE

Bill 129, an Act respecting the construction of a Canadian National Railway line between Sturgis and Peesane, in the Province of Saskatchewan.—Hon. Mr. Dandurand.

PEESANE NORTHERLY

Bill 130, an Act respecting the construction of a Canadian National Railway Line from Peesane Northerly, in the Province of Saskatchewan.—Hon. Mr. Dandurand.

SHELLBROOK WESTERLY

Bill 131, an Act respecting the construction of a Canadian National Railway Line from near Shellbrook Westerly in the Province of Saskatchewan.—Hon. Mr. Dandurand.

TURTLEFORD SOUTH-EASTERLY

Bill 132, an Act respecting the construction of a Canadian National Railway Line, being an extension of the Turtleford South-Easterly Branch to a point between Hafford and Richard, in the Province of Saskatchewan.—Hon. Mr. Dandurand.

KINDERSLEY-GLIDDEN

Bill 133, an Act respecting the construction of a Canadian National Railway Line between Kindersley and Glidden, in the Province of Saskatchewan.—Hon. Mr. Dandurand.

SPRUCE LAKE WESTERLY

Bill 134, an Act respecting the construction of a Canadian National Railway Line near Spruce Lake Westerly, in the Province of Saskatchewan.—Hon. Mr. Dandurand.

HUDSON BAY JUNCTION SOUTHERLY

Bill 135, an Act for the construction of a Canadian National Railway Line from Hudson Bay Junction Southerly in the Province of Saskatchewan.—Hon. Mr. Dandurand.

ELK POINT EASTERLY

Bill 136, an Act for the construction of a Canadian National Railway Line from Elk Point Easterly, in the Proyince of Alberta.—Hon. Mr. Dandurand.

ASHMONT-BONNYVILLE

Bill 137, an Act respecting the construction of a Canadian National Railway Line between Ashmont and Bonnyville, in the Province of Alberta.—Hon. Mr. Dandurand.

BRETONA-CLOVER BAR

Bill 138, an Act respecting the construction of a Canadian National Railway Line between Bretona and Clover Bar, in the Province of Alberta.—Hon. Mr. Dandurand.

Hon. W. B. ROSS: I would like to ask the honourable gentleman if there will be available for the Railway Committee any information about the earnings of the branch roads that have been authorized and built within the last five years. That information would be helpful, I think.

Hon. Mr. DANDURAND: About the other branches?

Hon. Mr. ROSS: Yes, the ones constructed and in operation.

Hon. Mr. DANDURAND: The ones we approved two or three years ago? I will inquire.

Hon. Mr. ROSS: Some little information on those would be helpful in making up our minds about these Bills.

Hon. Mr. DANDURAND: I may remind the honourable gentleman that a distribution was made of a plan of the various lines, with a description of them.

Hon. Mr. ROSS: I have that.

Hon. Mr. DANDURAND: I hope that every member will bring that information with him to the Railway Committee on Tuesday. I would further suggest that all the members of the Senate who are not members of the Railway Committee might with considerable alvantage to themselves attend the Committee meeting. Although not members of the Committee, they have a right to put questions and obtain information; so they may be as well posted on the Bills when returned to this House as if they were members of the Railway Committee.

CANADIAN NATIONAL STEAMSHIPS BILL

FIRST READING

Bill 142, an Act respecting the Canadian National Steamships and to provide for the establishment of West Indies Service.—Hon. Mr. Dandurand.

THE IMPERIAL CONFERENCE

INQUIRY

On the Orders of the Day:

Hon. Mr. GREISBACH: I should like to inquire of the honourable leader of the Government whether it is his intention to initiate here a discussion on the Report of the Imperial Conference. The tremendous change that is supposed to have taken place in our status is surely worthy of some discussion being initiated by the Government.

Hon. Mr. DANDURAND: I confess I have given no thought to the matter. I notice that there may be a discussion in the popular Chamber, and I hope that we may have the necessary time to discuss this question here. I do not know in what form the discussion might arise. I will have an answer for my honourable friend by Tuesday. An inquiry might be placed on the Order Paper, or there might be another procedure.

CANADIAN NATIONAL RAILWAYS BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 176, an Act to amend the Canadian National Railways Act, 1919.

He said: Honourable gentlemen, under the present Canadian Government Railways Act the control of the standards of maintenance is vested, not in the Board of Railway Commissioners, but in the Minister. With respect to all the rest of the Canadian Government Railway System the Board of Railway Commissioners have control over the standards of maintenance. After the matter has been examined thoroughly it is thought desirable to give the Board jurisdiction over the former Government Railways, as over the rest of the system. That is the whole import of the amendment as explained by the Minister of Railways. With this explanation I move the second reading of the Bill.

Hon. Mr. DANIEL: I would like to ask the honourable Minister how this will affect the Intercolonial Railway. As far as my knowledge goes, the Intercolonial occupies, or did occupy, a position entirely different from that of the other portions of the Canadian National Railways. The Intercolonial Railway was built, as we all know, for a special purpose, and was kept under the control of the Crown, and had a different organization. It was later, I believe, attached to some extent, but not entirely to the other portions of the Canadian National Railways. I say not entirely, because I think I am correct in stating that, while the rates were to be under the control of the Railway Commission, the municipalities and Provinces through which it ran were prevented from taxing it, being told that it was a Government railway; and I think it has only been in the last couple of years that any taxes have been paid to those municipalities and Provinces.

I would like the Minister to explain whether the Intercolonial Railway has entirely lost its significance as a Government railway, or whether it still holds the important position that it held after Confederation as one of the contracts of Confederation. I think perhaps a little information in regard to that would be advisable at the present time, so that down in our part of the country, we may know just exactly what the position of the Intercolonial Railway is.

Hon. Mr. DANDURAND: I would not like to answer the question of my honourable friend offhand; I would rather refer his question to the Railway Department, so that he may have an authoritative answer. I have a general impression; but when one is asked to make an exact statement based on law, it is better to hesitate for a moment and examine into the situation.

The question of my honourable friend has very little to do with this Bill, because it simply puts the question of the maintenance of the old Intercolonial Railway in the hands of the Board of Railway Commissioners instead of it being, as heretofore, under the jurisdiction of the Minister. There is an advantage to be gained by having a uniform standard of maintenance, which is all that will be effected by the Bill, and I am sure this is most desirable. On the third reading of the Bill I will have an answer for the honourable gentleman, if he will be content with that.

Hon. Mr. DANIEL: I ask, because this Bill evidently takes away from the Minister the control that hitherto he has exercised—

Hon. Mr. DANDURAND: Only of maintenance.

Hon. Mr. DANIEL: —and hands it over to the Railway Commission.

Hon. Mr. DANDURAND: It is maintenance only.

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

The Senate adjourned until Monday next, at 8 p.m.

THE SENATE

Monday, March 28, 1927.

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

Prayers and routine proceedings.

JUDGES BILL

FIRST READING

Bill 139, an Act to amend the Judges Act.—Hon. Mr. Dandurand.

EXCHEQUER COURT BILL

FIRST READING

Bill 140, an Act to amend the Exchequer Court Act.—Hon. Mr. Dandurand.

SUPREME COURT BILL

FIRST READING

Bill 141, an Act to amend the Supreme Court Act.—Hon. Mr. Dandurand.

TRADE MARK AND DESIGN BILL

FIRST READING

Bill 171, an Act to amend the Trade Mark and Design Act.—Hon. Mr. Dandurand.

APPROPRIATION BILL No. 5

FIRST READING

Bill 236, an Act for granting to His Majesty a certain sum of money for the public service of the financial year ending the 31st March, 1927.—Hon. Mr. Dandurand.

CROWN DEBTS BILL

SECOND READING

The Senate resumed from March 23 the adjourned debate on the motion of Hon. Mr. Dandurand for the second reading of Bill 122, an Act respecting certain debts due the Crown.

Hon. W. A. GRIESBACH: Honourable gentlemen, this Bill involves a certain sum of money, and an important principle of legislation. It raises the question of financial transactions between the Dominion and the provinces, between the Dominion and municipalities, and between the Dominion and private individuals. The Senate can come to no sound conclusion in the matter unless it has an opportunity of securing information from various departmental sources. Therefore I suggest that the House would be well advised to refer the matter to a Committee in order that this evidence may be taken and we may be informed precisely on the situation.

Hon. J. A. CALDER: Honourable gentlemen, I would like to say a word or two in support of the suggestion of my honourable friend from Edmonton. This Bill involves the consideration of many problems, and I think that it is absolutely necessary that we should have from the Department a good deal of information that we cannot get during a discussion on the second reading. The Federal Government, during many years past as far back, I think, as the early seventies—have lent large sums of money, in the first place to individual settlers, in the second place, as I understand, to municipalities, and in the third place to the Governments of the Western Provinces, in connection with seed grain relief, the moving of hay, the supplying of fodder and all that sort of thing. Now, it seems to me that before we can deal with the Bill intelligently it is essential that we should have an opportunity to obtain from the Department of the Interior full information, first, in respect to the parties concerned, and, second, in respect to the amounts of money involved. I say frankly I cannot support the second reading of this Bill without knowing what I am doing. For the moment I am not saying that I object to the Bill, or that I favour the Bill, but I must know the facts before deciding what to do. I think we shall save time if we do not have a lengthy discussion on the second reading of the Bill, but refer it to a Committee so that all members of the House may get the information that it is necessary in order to enable them to cast an intelligent vote.

Hon. Mr. DANIEL: The honourable leader of the Government, when this matter was up before, promised to get certain information that I asked him for; that is, as to whether there is in the Act of which this Bill will form a part, any clause making it compulsory for the Minister to lay on the table of Parliament a report on whatever action he takes in the carrying out of this provision. He may have to spend or give away a great deal of money. There ought to be in some portion of the Act a clause requiring that information to be laid on the table of Parliament.

Hon. Mr. DANDURAND: There is no objection to such a clause being added to the Bill.

Hon. W. A. BUCHANAN: Honourable gentlemen, I happen to have some knowledge of the purpose of this legislation, because it applies largely to a section of Alberta with which I have fairly intimate acquaintance. The legislation deals with a condition that arose following the dry year of 1914, when probably 75 per cent of the homesteaders in the country from a line drawn east of the city of Lethbridge and north to the Red Deer River, and extending beyond the boundary of the province of Saskatchewan, received assistance in seed grain, relief for themselves personally, or relief for their stock, because of the acute conditions following that crop failure. At the time the Federal Government made that loan a lien was placed upon the property held by those homesteaders, and that lien took priority over all other claims against the land at that time and afterwards. If a man held a homestead and a pre-emption and had two or three other quarters of land, the lien was against all, and for the total amount of the loan made to him by the Dominion Government. Since that time we have had a series of more or less unfortunate years in that section of the country, known now as south-eastern Alberta, and there have been cases where men have acquired some of the

land against which these liens were placed. If a person held six quarters, the lien was charged against every quarter to the same extent; so if he sold one quarter the purchaser assumed that lien. Now, the Department of the Interior desires to confer with the loan companies who are interested in much of this land, with the provincial government, who have liens and have taken over a good deal of the land for taxes, and also with the municipalities concerned, for the purpose of straightening out the tangle, and the Department is seeking this legislation in an endeavour to shake down all the indebtedness and bring whatever is possible into the Treasury of the Dominion of Canada, as well as to make a settlement, which, if it does not satisfy the loan companies and the other organizations interested, will at least give them something where at the present moment there is no possibility of obtaining a cent.

I may explain that in south-eastern Alberta the majority of the people have gone away, leaving the land burdened with these liens, but some persons are remaining there in the hope that they may make a success of sheep ranching or cattle ranching in a small way. Many of them wish to acquire some of those abandoned homesteads, but they cannot do so as long as they are encumbered with all these liens. Once this matter is straightened out it will be possible for those individuals who are remaining in that country to acquire extra land and try to make a success of ranching.

I might point out that in another section of Alberta, from Medicine Hat west to what is known as the C.P.R. irrigation area, along the main line of the Canadian Pacific Railway, and from the South Saskatchewan River north to the Red Deer River, an investigation was held by a Commission made up of two representatives of the Provincial Government of Alberta and two representatives of the Dominion Government, to inquire into conditions in that area, which has been almost wholly depopulated. There were cases there where thirteen or fifteen school districts in a municipality had dwindled down until the municipality was able to maintain only one. For the purpose of finding, if possible, a solution of the problem in that area an investigation was made, and the Commission's report recommends that it should be brought back largely into grazing and the old-time ranching conditions. But the Commission in their inquiry were faced with this condition, that nearly all the land was burdened with liens. I have here the report of that Commission. In summarizing the evidence they made this statement:

That it is necessary to bring the land, as far as possible, to single ownership, that is, that the lands now alienated must revert to the Crown either by tax recovery proceedings, exchange or expropriation, before it will be possible to work out any generally satisfactory scheme.

I am not as well acquainted with that particular area as I am with the area on the Crow's Nest line south and west of Medicine Hat, and I would say that what this Commission have recommended in this particular case would apply to the extreme south-eastern part of the province. As I said, the bulk of that land has been abandoned, and the few people who are there, would like to acquire more land in order to carry on ranching but cannot get a title to it as long as those liens are registered against them. I might mention that in regard to the area of which I am speaking, between the South Saskatchewan and the Red Deer Rivers and from west of Medicine Hat the Commission recommended:

1. That this be declared a closed area, and that no further lands be alienated from the Crown.

2. That Parliamentary and legislative authority be secured to enable the properly constituted authorities to make compromise settlements, of arrears of taxes, seed grain and relief liens, and any other Crown claims now levied against the lands, or to cancel in their entirety any such Crown claims if found necessary.

This Commission's report was made after a thorough investigation held at points throughout that area, and also after hearing evidence of representatives of municipalities, school districts, and the mortgage and loan companies operating in the Province of Alberta. I think that this legislation is going to be worked out in this way: that the representatives concerned—the Dominion, the Province, the municipalities and the loan companies—will sit around a table and endeavour to reach a settlement on the areas in which they are interested, hoping that they can get something out of the land by an adjustment between themselves. In many cases there cannot be a settlement with the owners, because they have left and abandoned everything; therefore the problem is to get the property back into the possession of the Crown so that it can be utilized for ranching purposes, or be acquired by farmers who have remained there in the hope that they can get more land and carry on small ranching.

I am not afraid of the power give to the Department of the Interior, particularly as it applies to the area with which I am acquainted, because I feel that this legislation can only be made successful by conferences between the parties interested. The adjustment has to be mutual, and all the parties will have to stand losses in nearly every case. The object is to get from this section

of country that has proved unsuccessful, as much as possible from the wreck.

This would be my explanation of the measure, and a statement of my reason for supporting it, as something that is necessary to clear up the tangle in that section of Alberta.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, I think this question is a little more complex and perhaps a little more far-reaching than I or anyone would infer from the scanty outline of the Bill. There appear to be in it at least two elements which are somewhat grave. One is the interference as to the matter of transferring the property, on account of those liens which are held, seemingly in very large numbers. The other is that touched upon by my honourable friend who just sat down, which opens up another field of vision.

I have heard a great many men say that if we had to commence over again in laying out certain sections of the Northwest we would not have transferred, or allowed to be transferred, to the general farmer large sections of that country which were fit for ranching and grazing but not fit for farming. It may be that in some of those areas there is sufficient at stake, in the condition of those lands as described by my honourable friend, to make it possible to revert to opportunities afforded for grazing and ranging in certain districts where land is ill-fitted for ordinary agricultural work.

I raised no objection to the Bill on the former occasion because of the principle of it, or what it sought to remedy, but I thought we should have some further information before we are asked to pass upon the Bill. I am in the same position as my honourable friend behind me (Hon. Mr. Calder), so that I cannot vote yea or nay because I do not know what is involved. I think it would be well to adopt the suggestion that was made, and send it to a small Committee, or to a larger Standing Committee of some sort, because it has elements on which we would like to be informed before being asked to vote.

I hope my honourable friend the leader of the Government will take the suggestion, and send the Bill to a Committee.

Hon. Mr. DANDURAND: Honourable gentlemen, I did not believe that any difficulty would arise in relation to this Bill, because the matter of which it treats was dealt with by the Government of Canada in a very easy way under the War Measures Act, on the 23rd of February, 1918.

The very reasons that are given for re-enacting this legislation—because practically the Order in Council passed under the War Measures Act had the value of an Act of Parliament—are based upon conditions that were recognized as existing in 1918. I believe that two of the honourable gentlemen who have spoken on this matter, the honourable gentleman from Saltcoats (Hon. Mr. Calder) and the right honourable junior member for Ottawa (Right Hon. Sir George E. Foster), were members of the Government who passed that Order in Council, which recited:

That His Majesty advanced seed grain and fodder to certain settlers in the Prairie Provinces in the winter and spring of 1914-1915, and by way of security for the re-payment of such advances registered liens against all the lands of such settlers, which liens took priority over all other encumbrances registered against such lands;

That it has been represented in behalf of persons who advance money in the Prairie Provinces and who had certain mortgages or loans unpaid at the time of such distribution of seed grain and fodder, that many advances were made to persons who at the time worked two or more parcels of land and who distributed the proceeds of such advances for the benefit of the various parcels so held, but that each of such advances are under the provisions of the authorizing legislation a charge in its entirety against each single parcel so held and that, in the event of a mortgagee or encumbrancee taking sale proceedings in order to recover the amount of the mortgage or encumbrance, it is necessary to pay off to His Majesty all of the advances made by His Majesty in order to give a clear title to the purchaser;

That it has been represented in behalf of persons who advanced money as aforesaid that, in the event a mortgagee or encumbracee who holds a mortgage or encumbrance against one such parcel, sells under the provisions of his mortgage or forecloses and afterwards sells in order to realize on his mortgage or encumbrance, he frequently sells at a loss by reason of the re-payment of the amount of such lien as so charged in its entirety against the parcel sold;

That His Majesty similarly advanced certain other goods by way of relief to settlers and registered liens by way of security for such advances also, which liens rank as to priority only from the date of the registration thereof but have been held by the courts not to be discharged by sale proceedings or other action so that the lien for other goods by way of relief also clouds the title given to a purchaser under sale proceedings.

The Minister, therefore, recommends that in case of sale or a foreclosure and sale by such mortgagee or encumbrancee, the Minister may, upon being satisfied that such mortgagee or encumbrancee has taken every reasonable and proper means to procure the highest price for the said land and has suffered loss by reason of liens so registered, issue such discharges or partial discharges as to the land sold as will relieve such mortgagee or encumbrancee of loss in the case of liens for seed grain and fodder, beyond the amount thereof applied on such land with interest, and in case of relief, wholly or to such extent as the Minister deems equitable.

That was the law until the War Measures Act was repealed or ended. Now, this Bill only asks that:

The Governor in Council shall have power to make regulations providing for the apportionment and adjustment of indebtedness incurred for advances of seed grain, fodder for animals and other relief, and to discharge and release in whole or in part any monies due to His Majesty in respect of either principal or interest or both, as may be considered equitable in the circumstances.

I stated in my opening remarks that there were some $3,000,000 still due. In most of the cases the land has been located, and in very many cases the municipality has sold it for taxes, but the lien of the Federal Government still remains, and there is the question of necessity for apportionment.

The Minister stated that his dealings would be with the Governments, municipalities and corporations concerned. There has been a Board appointed in Alberta for adjustment of these claims. The Dominion Government would like to join that Board, but under the Dominion Lands Act it cannot do so; it has no power until the Act now under discussion is passed.

I have no hesitation in believing that the Department will act for the best interests of all, and of the Federal exchequer in particular; but when there is the least doubt in the minds of some honourable gentlemen in this Chamber, as to the possibility of some harm being done by the Department or the Minister having such large authority, I have no objection whatever to clearing the atmosphere by sending the Bill before a Committee, where parties who are to administer the Act will give all necessary information. For tha reason, without consulting the Minister or the Department, I move the second reading of this Bill, and that the same be then referred to the Committee on Banking and Commerce.

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

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

THE SENATE

Tuesday, March 29, 1927.

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

Prayers and routine proceedings.

RAILWAY BILLS

REPORTS OF STANDING COMMITTEE

Hon. Mr. ROBERTSON moved concurrence in the reports of the Standing Committee on Railways, Telegraphs and Harbours, on Bill C6, and Bills 124 to 138, inclusive.

He said: Honourable gentlemen, these seventeen reports cover seventeen different Bills, all of which were received by the Committee, exhaustively inquired into, and submitted to the House without amendment. As it might facilitate business, I see no objection, if the House agrees, to giving these Bills their third readings this afternoon.

The reports were concurred in.

PRIVATE BILL

THIRD READING

Bill C6, an Act respecting the Algoma Central and Hudson Bay Railway Company. —Rt. Hon. Mr. Graham.

CANADIAN NATIONAL RAILWAY BRANCH LINE BILLS

THIRD READINGS

ST. FELICIEN—MISTASSINI RIVER AND HEBERTVILLE-SAVANNE FALLS

Bill 124, an Act respecting the construction of Canadian National Railway lines between St. Felicien and Mistassini River and between Hebertville and Savanne Falls, both in the Province of Quevec.—Hon. Mr. Dandurand.

GRAND MERE-EAST BURRILLS

Bill 125, an Act respecting the construction of a Canadian National Railway line between Grand Mere and East Burrills, in the Province of Quebec.—Hon. Mr. Dandurand.

PILKINGTON-NIAGARA JUNCTION

Bill 126, an Act respecting the construction of a Canadian National Railway line between Pilkington and Niagara Junction in the Province of Ontario.—Hon. Mr. Dandurand.

WEYBURN-RADVILLE

Bill 127, an Act respecting the construction of a Canadian National Railway line between Weyburn and Radville, in the Province of Saskatchewan.—Hon. Mr. Dandurand.

WILLOWBROOK NORTHWESTERLY

Bill 128, an Act respecting the construction of a Canadian National Railway line from Willowbrook, Northwesterly, in the Province of Saskatchewan.—Hon. Mr. Dandurand.

STURGIS-PEESANE

Bill 129, an Act respecting the construction of a Canadian National Railway line between Sturgis and Peesane, in the Province of Saskatchewan.—Hon. Mr. Dandurand.

PEESANE NORTHERLY

Bill 130, an Act respecting the construction of a Canadian National Railway Line from Peesane Northerly, in the Province of Saskatchewan.—Hon. Mr. Dandurand.

SHELLBROOK WESTERLY

Bill 131, an Act respecting the construction of a Canadian National Railway Line from near Shellbrook Westerly in the Province of Saskatchewan.—Hon. Mr. Dandurand.

TURTLEFORD SOUTH-EASTERLY

Bill 132, an Act respecting the construction of a Canadian National Railway Line, being an extension of the Turtleford South-Easterly Branch to a point between Hafford and Richard, in the Province of Saskatchewan.—Hon. Mr. Dandurand.

KINDERSLEY-GLIDDEN

Bill 133, an Act respecting the construction of a Canadian National Railway line between Kindersley and Glidden, in the Province of Saskatchewan.—Hon. Mr. Dandurand.

SPRUCE LAKE WESTERLY

Bill 134, an Act respecting the construction of a Canadian National Railway Line near Spruce Lake Westerly, in the Province of Saskatchewan.—Hon. Mr. Dandurand.

HUDSON BAY JUNCTION SOUTHERLY

Bill 135, an Act for the construction of a Canadian National Railway Line from Hudson Bay Junction Southerly in the Province of Saskatchewan.—Hon. Mr. Dandurand.

ELK POINT EASTERLY

Bill 136, an Act for the construction of a Canadian National Railway Line from Elk Point Easterly, in the Province of Alberta.—Hon. Mr. Dandurand.

ASHMONT-BONNYVILLE

Bill 137, an Act respecting the construction of a Canadian National Railway Line between Ashmont and Bonnyville, in the Province of Alberta.—Hon. Mr. Dandurand.

BRETONA-CLOVER BAR

Bill 138, an Act respecting the construction of a Canadian National Railway Line between Bretona and Clover Bar, in the Province of Alberta.—Hon. Mr. Dandurand.

Hon. Mr. TANNER: I want to draw the attention of the leader of the House to a railway which was under consideration in this House two years ago. I understand that this whole programme of railway construction comes to Parliament on the initiation and with the recommendation of the President and Directors of the Canadian National Railways and has been accepted by the other House, and is now being passed finally here.

What I would like to understand is why the railway which was projected in Nova Scotia, known as the Guysborough Railway, is not included in this list. I did not know that this matter was coming up, and therefore did not bring Hansard with me, but my honourable friend will remember that in 1924 that railway project came down to Parliamnt with the absolute, unqualified recommendation of the president of the Canadian National Railways, and presumably also that of the officials under him. That railway Bill received the approval of the other House, but failed to pass this Chamber in 1924 and also in 1925.

The point upon which I would like to get information is this: has the Canadian National Railway Management abandoned that project? They made a very distinct and positive statement in answer to my inquiries. My honourable friend will also remember that he read a very full and concise statement of the reason why that road should be constructed, that statement being signed by the President, Sir Henry Thornton. Now, it is known that there were elections in sight in 1924; but I would be very slow to believe that Sir Henry Thornton had been influenced by political considerations in making his recommendations in 1924, for Sir Henry has been continually protesting publicly against the injection of political matters into the management of the railway. I would further conclude that he must have considered that railway project on its merits absolutely, apart altogether from political considerations. Taking that view, I think we have a right to know why he has changed his mind, and why the Board of Management have changed their minds, if they have done so, with regard to that project, or why there is not some recommendation in 1927 of a project which was considered to be urgent and so reported by them in 1924.

My honourable friend may not be able to give me an answer to-day, but I think this an opportune time to ask for the information, since large expenditures are to be made in the western country, quite properly, for railway purposes. For my part, I would like to be satisfied in regard to the attitude of the Canadian National Railway Management to this Guysborough road.

Hon. Mr. DANDURAND: The present Government has been so fully engrossed with the matters contained in the Duncan Report that it has not thought of going beyond it in looking into the rights and claims of Nova Scotia. I doubt if this matter of the Guys-

borough railway has been examined, or if examined has been reported on by the Duncan Commission.

I would suggest that my honourable friend put his inquiry on the Order Paper so that I may get an answer for him. Perhaps what the present Government or Parliament is about to do for the Maritime Provinces will satisfy my honourable friend for the time being, and he may consent to postpone till another Session the building of the Guysborough railway.

Hon. Mr. TANNER: Well, I have had to be content both here and in the Nova Scotia Legislature, for about thirty years with assurances just like the one my honourable friend has given me, and I confess that I do not see very much fruit from them. What I want to know is why the Canadian National Railway Management have changed their minds, if they have changed.

Hon. Mr. DANDURAND: Well, the Canadian National Railways Management may not have changed their minds, but the Senate affirmed its own mind, and that settled the point.

RAILWAY BELT WATER BILL

FIRST READING

Bill N6, an Act to amend the Railway Belt Water Act.—Hon. Mr. Dandurand.

CANADIAN NATIONAL RAILWAYS BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 176, an Act to amend the Canadian National Railways Act.

He said: The honourable gentleman from St. John (Hon. Mr. Daniel) asked for some information concerning the status of the Intercolonial Railway, and I postponed the third reading of this Bill until to-day in order to give him that information. The answer I have received reads as follows:

The situation is very simple. The Intercolonial has not either entirely or partially lost its significance as a Government Railway, nor has its status as a factor in the Confederation arrangement been in any manner impaired. It is still the same old Intercolonial, owned exclusively by the Crown and not amalgamated with nor consolidated as a part of any other company or system.

The following changes have been made in recent years in respect of the management:

In former days a General Manager was appointed by Order in Council, and his duties as General Manager were very carefully defined. Later, the Board of Directors constituting the Canadian Northern was appointed to act as General Manager, with the same duties as that of a General Manager under the Order in Council. After the Canadian National Railway Company was created the existing arrangement was changed and the management and operation of the Government lines, including the Intercolonial, was entrusted to the Canadian National Railway Company. The effect of this was merely to make the Canadian National Railway Company the General Manager of the Government Railways. They had power in all things to operate and manage the Railway, but they had no power in respect of construction, nor could they sell any part of the property nor buy other properties, that right being reserved in the Minister under the Government Railways Act. They administered simply the Railway as handed over to them, maintaining it to the standard of the Government Railways Act, slightly different from the standard of the Dominion Railway Act.

Where capital improvements are to be made, such as building new stations or laying new sidings or tracks, our Railway Company acts as agents of the Minister, not under the entrusting Order.

Taxes.—The property has always been exempt from taxation as property of the Crown and is still exempt from taxation, both Municipal and Provincial. Payments, however, have been made to the Provincial Governments in the last few years on a voluntary basis, specifically authorized by Order in Council. This does not affect the legal status of the property nor of the Crown.

Workmen's Compensation.—By amendments passed by the Parliament of Canada the workmen employed on the Railway are subject to the Workmen's Compensation Acts of the Provinces.

St. John and Quebec Railway.—This property has not been entrusted to the Canadian National Railway Company for operation and management. In operating it as a part of the Canadian National Railways we do so as agents for the Department, in exactly the same manner as we now operate the Hudson Bay Railway.

The Crown has authority at any time to cancel the entrusting Order or to impose conditions in respect of operation and management by stating terms in a new Order in Council.

Board's Control.—Under the Act of 1919 the Board was given control of operation, not of maintenance. Operation covered tolls to be collected and the running of trains. The Board obviously had no power over construction nor of maintenance, since these things were not entrusted to the Company and it would not be reasonable to order the Company to do something which the Company had no power to do, power being vested in the Minister. The present Act gives the Board power over maintenance to a limited extent, that is, in respect of the safety of employees and the safety of passengers travelling on the trains. At present the authority is vested in the Minister. That authority is now being transferred to the Board to the limited extent stated.

That is signed by Mr. Ruel.

Right Hon. GEORGE P. GRAHAM: In speaking of the Board, I presume the memorandum means the Board of Railway Commissioners?

Hon. Mr. DANDURAND: Yes, it would be.

Hon. Mr. COPP: I would like to ask my honourable friend how far the authority is carried in regard to maintenance. The memorandum says that the present Act gives the Board power over maintenance to a limited extent, regarding the safety of employees, and of passengers travelling on the trains. I presume that such matters are now referred to the Board of Railway Commissioners to inquire into and make decision upon.

Hon. Mr. DANDURAND: Yes.

Hon. Mr. COPP: Does that mean that they have authority to say when a bridge is to be inspected, when it is to be rebuilt, and matters of that kind, or to deal with the condition of engines and equipment? How far does that authority go? Does the Act extend or limit the powers of the Board?

Hon. Mr. DANDURAND: I have given the opinion of the attorney, and one of the directors of the Board, who says:

The present Act gives the Board power over maintenance to a limited extent, that is, in respect of the safety of employees and the safety of passengers travelling on the trains.

Hon. Mr. COPP: That is very elastic.

Hon. Mr. DANDURAND (reading):

At present the authority is vested in the Minister. That authority is now being transferred to the Board to the limited extent stated.

That is the only answer I can give. It comes from the Canadian National Railways' attorney. I do not know whether the Department would give the same interpretation to the present Bill.

Hon. Mr. COPP: I think the legislation we are passing is very indefinite as to who shall decide how far it may go.

Hon. SMEATON WHITE: Is not that "Board" the Board of Management of the Canadian National Railways? It seems to mean, not the Board of Railway Commissioners, but the Board of Management.

Hon. Mr. ROBERTSON: I should be inclined to think, honourable gentlemen, that the reference is to the Board of Railway Commissioners.

Hon. Mr. MURPHY: It is so stated in the explanatory note attached to the Bill.

Hon. Mr. ROBERTSON: Under the Railway Act the Board of Railway Commissioners have jurisdiction with regard to safety appliances, et cetera, on railways in Canada; but their jurisdiction has apparently not extended as far on the Intercolonial Railway as on other roads. It would appear from this Bill that it is proposed to give the Board of Railway Commissioners the same jurisdiction over the Intercolonial Railway as over all other railroads in the country, thereby standardizing the requirements relative to safety appliances, equipment, et cetera. I think that is what it is intended to cover.

Hon. Mr. DANDURAND: The explanatory note accompanying the Bill says:

This subsection as added to section fourteen gives to the Board of Railway Commissioners jurisdiction over maintenance on the Government Railways to the extent stated. At the present time the jurisdiction over maintenance on such railways is vested in the Minister of Railways under the Government Railways Act.

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

NORTH WEST TERRITORIES BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 123, an Act to amend the North West Territories Act.

Hon. Mr. Beaubien in the Chair.

On section 1—export tax on furs:

Hon. Mr. BELCOURT: The explanatory note states:

A similar tax is in force in nearly all the provinces of Canada, and is considered expedient for the North West Territories.

Can my honourable friend tell us what law any province has, similar to this?

Hon. Mr. DANDURAND: I understand that the provinces levy a royalty upon furs. When we were at the second reading of this Bill the constitutional question was raised, as to the right of a province to levy a tax upon goods entering another province.

Right Hon. Sir GEORGE E. FOSTER: Going out from that province.

Hon. Mr. DANDURAND: Upon goods going out from that province to another province. The Bill was not introduced without that point having been considered and the matter having been referred to the Department of Justice. The Department of Justice has given the following opinion:

Section 121 of the British North America Act reads as follows:

"All articles of the Growth, Produce, or Manufacture of any one of the Provinces, shall, from and after the Union, be admitted free into each of the other Provinces."

You will observe that this provision has no application whatever to the admission into any

of the provinces of articles of the growth, produce or manufacture of the Northwest Territories, and I do not know of any other constitutional limitation upon the right of Parliament to enact the legislation proposed.

I send you herewith for your information a memorandum prepared by Mr. Plaxton containing references to the existing provincial legislation purporting to limit the right of export of furs from some of the provinces. You will observe that provincial legislation of this kind has been questioned by preceding ministers of Justice in their reports upon provincial legislation, but such objections would not of course apply to the present Bill, which contemplates legislation by the Dominion Parliament regarding the administration of the Northwest Territories, which is a matter undoubtedly within its jurisdiction—

—inasmuch as section 121 of the British North America Act refers to articles of the growth, produce or manufacture of any one of the provinces, and the Northwest Territories do not constitutionally form what is understood as a province.

Some objection has been made with regard to the difficulty of levying that tax. The reason why the Department insists upon retaining the expression "export tax" is that it does not want to deprive the people living in the Territories of the right to use the furs for their own clothing. The Department feels justified in levying only a royalty in the form of an export tax upon the furs taken from the Territories for commercial purposes. Besides, in answer to the statement that it would be the trapper who in the last analysis would pay that tax, I am informed that the trapper is generally paid in kind and not in money; that he hardly ever sees money. He comes to the Hudson Bay Company post, to Revillon Freres, or to some other large company, with a pelt, and is offered in payment certain things in the store—food, instruments for trapping purposes, or other articles there. What he is offered for a fine pelt may be worth only $3 or $4; but when the pelt is shipped to another country it is worth $25 or $30. I understand that those large companies recognize the right of the Government to a certain tax on each pelt taken from these Territories. The amount to be claimed will come from those large corporations. It will be a very small tax, indeed, upon the pelts that they get there, but it will help the Department in the administration of that part of our country. So from all angles I believe that the Bill before us is commendable. The ordinary traders—the Eskimo, the Indian and the white man—will continue to get in the stores the same quantity as they are accustomed to getting, and the country will benefit from a resource which belongs to it and goes out to enrich those large corporations.

Now, if the Chamber agrees with me as to the merit of this proposed legislation, I will suggest a small amendment. The Bill reads as follows:

The levying of an export tax upon furs exported from the Territories to any other part of Canada or to any foreign country.

I would strike out the word "foreign", and substitute the word "other," so that it would read, "or to any other country"; because 70 or 75 per cent of the furs taken by the Hudson Bay Company go to London, and under the expression "foreign" they would escape the tax.

Right Hon. Sir GEORGE E. FOSTER: Why do you need to substitute anything?

Hon. W. B. ROSS: It might read, "exported from the Territories."

Right Hon. Sir GEORGE E. FOSTER: That covers the whole thing.

Hon. Mr. DANDURAND: It is perhaps as well to leave the wording as it is, because it comprises the phrase "to any other part of Canada" and without it there might be some difficulty raised as to the right to collect on furs in Canada. If the phrase is left there it shows clearly that whenever furs leave the Territories, whether to come to a province in Canada or to go outside the country, they are liable to the tax.

Hon. W. A. GRIESBACH: Honourable gentlemen, I fear that for a variety of reasons, I cannot agree with the honourable leader of the Government in his observations as to the desirability of this method of raising money. He has said that the tax will ultimately fall not upon the trapper, but upon the large commercial establishments who in the end receive the furs. Well, these establishments already are taxed by all the machinery of taxation that we have, and they pay their share. If it is urged that some of them pay substantial dividends, this may be pointed out, that nearly all of them are engaged in mercantile business spreading over the whole West, and their profits are largely derived from that mercantile business, and not the business of fur trading, which is very precarious at best, and during late years has been quite unsatisfactory as a result of the war. By virtue of legislation already enacted by this Parliament the Indians, the Eskimos and other wards of the Government are in a privileged position with regard to their indebtedness: no claim for debt can be enforced against them in those Territories. The whole fur business is a system of trading, as the honourable leader of the Government has pointed out and is based upon a form of

credit given by the traders to those aboriginal inhabitants. This credit involves a very substantial element of risk. There is great risk not only from that source, but also from other contingencies, such as fire, flood, climate, et cetera; and if actual statistics could be produced—which I doubt—they would go to show that the business of fur trading is a precarious one and ought not to be hampered any more than it is at the present time.

Then there arises the question of collecting this tax, and one wonders how it is to be collected. It is obvious that there cannot be collectors where the fur originates and that collection will take place only at large centres. This simply means that a great many persons engaged in the business of fur trading will escape by reason of the fact that they cannot be located.

The honourable leader of the Government says that the Department of Justice, in giving their opinion, have declared, as I understand, that it would be intra vires of the constitution for this Parliament to levy a tax on the export of furs from the Territories, but ultra vires to levy such a tax in respect of furs in any province. Well, that is scarcely a generous attitude on the part of Parliament, because it applies to our own territory and our own people. Parliament ought not to take advantage of the fact that these people are not in an organized province.

Indeed that raises another question, whether this Parliament has a right to levy a tax where there is no representation. It is a principle as old as the American Revolution, at all events, that there shall be no taxation without representation. The imposition of such a tax is productive of trouble in the end, and I submit that we have no right to levy a tax upon a vital industry in that country without consultation with those people, which consultation can be had only through the medium of representative institutions. I submit, therefore, that we ought not to tax those people until we give them representation.

Then there is the constitutional and legal aspect—the question whether or not this Parliament has a right to impose a tax of this nature, which is in contravention of the British North America Act. There is no similarity at all between this form of taxation and the form of taxation levied on furs by the legislatures of the several provinces. It is obvious that a province has the same right to levy a tax upon furs originating in the province, or to charge, as some do, a royalty, as it has to levy a tax on motor cars, theatres, gasoline, or anything else within its jurisdiction, but here you have the Government at Ottawa levying taxation on a territory with respect to exported furs originating in that area, and the tax is to be collected in another part of the country, an organized part, after exportation. I bow to the opinion of the Department of Justice, but it seems to me that this is an unconstitutional tax; that it is productive of trouble, in view of the fact that you are taxing people without representation; and that it is unjust, for the reason that it bears upon people already heavily taxed. If the trader in the big centre is ultimately to pay, if the tax is to be laid upon the unfortunate individual who gathers the fur—and, no doubt, an attempt will be made to lay it upon him—you are taxing a person who leads a precarious and hard existence, who never knows from year to year how he will come out, and who is least able to pay. For these reasons I shall vote against this clause and against the Bill itself.

Hon. Mr. DANDURAND: My honourable friend recognizes the right of a Province to levy tax upon things that are produced in that Province. The North West Territories are being administered by the Government.

Hon. Mr. GRIESBACH: There is a vital difference. The people who live in a Province are taxed by the Government which they elect: the individuals who catch the fur and own the pack have delegated to their provincial Government the authority and the right to tax them, and they consent to the taxation; but here you have an attempt by the Government at Ottawa to levy taxation upon individuals who perhaps never heard of this Government, and who certainly do not consent to this Government's action any more than the people of Massachussetts consented to the tax on tea.

Hon. Mr. DANDURAND: I do not see that there is any considerable hardship in the operation, because those people in the North West Territories who are without representation are not affected by this legislation when the furs are used for domestic consumption. They can even sell the goods that they produce without being reached by this tax. It is only when those goods come into the hands of large corporations that carry them outside of the North West Territories for commercial purposes that the tax becomes operative. Those goods are not very valuable in the first place, and do not bring much to the original owner; but upon reaching civilization they yield three hundred or four hundred or five hundred per cent profit. It seems to me that under this Bill we are touching the inhabitants of those regions with a

feather, so to speak, and are properly levying a tax upon outsiders who benefit from the riches which are to be found in that territory, and who should contribute this paltry percentage towards the cost of the administration of that territory.

Right Hon. Sir GEORGE E. FOSTER: I agree in the main with the argument which my honourable friend (Hon. Mr. Dandurand) has presented for the passage of this Bill But I think there is another consideration that has not been mentioned, and it weighs with me to a certain extent. The imposition of such an export tax will have some influence, and I should think a considerable influence, in protecting game in those wide regions and preventing a slaughter which can only eventuate in the extinction of the game.

A new danger threatens those far distant parts of our territory. The aeroplane now takes people beyond our sight and above the ken of our customs officers, and transports them to the very centre of the haunts of large and small game, and some measures will have to be taken, I have no doubt, to prevent an indiscriminate slaughter by adventurers and sportsmen of that kind who will easily find their way into those regions. It would be a tremendous pity and a great shame if we should wake up years from now or generations from now and find that those preserves, which Nature thought she had made almost impregnable, had been denuded of their game. I think, the Government, if it has not already done so, should take some steps with a view to averting that danger. My honourable friend will remember that a few years ago sporting parties from another country, and sometimes, perhaps, from our own, made their way in swift launches up along our coast and shot the sea fowl as they were sitting upon their nests and incubating the future supply of birds of that kind. Fortunately a Treaty has been made between Canada and the United States which goes very far towards protecting sea fowl and large migratory birds; but there is a great danger looming ahead, by reason of the facility with which sportsmen, so-called, in aeroplanes, may reach the territories inhabited by game and destroy what we should try to preserve.

I do not know whether there are any regulations as to the licensing of people from outside our own country, and preventing them from shooting game in such sections of our country, or whether there is any preventive or supervisory attention given to that phase of the subject.

Our birds and four-footed game are distributed over wide areas; they are to be found in the mountains thousands of feet high, and on the lakes and rivers, and far up into the north, where caribou and other large game animals come and go. I think that is something which we ought to keep in mind, it is so distinctive of Canada and such a gem in her crown. Take the musk-ox, for instance, about which some Department of the Government has issued a most entertaining and instructive little book. It should be our care to preserve our game and in that way make Canada a country of abundance. We are doing that to a certain degree by our game preserves and parks, but there is a mighty region up towards the north, which is open to invasion by all kinds of sporting characters who may easily reach those areas by aeroplane.

I am in favour of this Bill because I think it will have some influence in diminishing the destruction of game. I do not suppose that among the people who live in those distant regions one out of a hundred traps with any idea of exporting personally. Their market is in the stores in that country; but I think the profit on furs is so large that even those who buy them in quantities and look for their returns only after they have exported them, should have no objection to a fairly good tax.

Hon. Mr. DANDURAND: I believe there is a license. I will get official data in regard to that question, and if this Bill reaches the third reading I will present it to the right honourable gentleman then.

Hon. Mr. GRIESBACH: May I say a word in answer to the Leader of the Government in this House? The fur gathered in that northern country is all sold. Nobody there wears fur. The Indian, who catches most of the fur, wears a straw hat and a shirt and overalls in the summer time, and a blanket coat in the winter time. So far as the protection of game is concerned, this Bill has not anything, even remotely, to do with it.

Hon. Mr. DANDURAND: No, but I see the point of the right honourable gentleman (Right Hon. Sir George E. Foster). This tax will force a statement from the large dealers as to what they are carrying out of the country, and for the first time we will have an opportunity of knowing exactly what furs are going out of that territory.

Hon. Mr. GRIESBACH: As a matter of fact, fur and game are quite different. Nobody shoots fur for game, and nobody shoots game for fur. They have nothing to do with

each other. The buffalo is a prohibited animal, and the musk-ox is in the same category.

My point is that all this fur is exported; it is not used by the people in that territory at all. I do not suppose you would find a fur cap in that whole country. This Bill will not affect the game preservation in any possible way.

Hon. Mr. CALDER: I wish to say a word or two in support of the honourable gentleman from Edmonton (Hon. Mr. Griesbach).

Hon. Mr. DANDURAND: I would ask that Mr. Finnie be allowed to come to the floor.

Hon. Mr. CALDER: In the first place, there is no relationship at all, as the honourable gentleman from Edmonton (Hon. Mr. Griesbach) has said, between this Bill and the protection of game. As I understand it, the Commissioner of the North West Territories, with the approval of the Government, has passed for the protection of game the same sort of ordinances or laws that we have in our Provinces; and I am sure their provisions are very stringent indeed. In other words, the protection of game is already taken care of.

There are only two points I wish to make as to why I oppose this Bill. In the first place, I do not agree with the Leader of the Government that this tax will not fall upon the trapper; that if I am a trader in that country the tax is going to fall upon me. It is quite true that as a trader I may trade tobacco and flour and beads and other things for fur; but if I have to pay this tax I am going to give a little less flour, tobacco, and so on all along the line. I claim that the incidence of this tax will fall upon the trapper. Now, consider the condition in which that man is living. I say the tax is a hardship, and I ask, particularly when you consider the amount that the Federal Government is going to get out of it, is it fair? After all, somebody has said—I think it was the Leader himself (Hon. Mr. Dandurand)—the tax will amount to only $75,000. If that is true, and if there is any possibility of this tax falling on the trapper, then I say it is a very unfair tax.

There is just one other point. We must bear in mind that this tax will not be paid by the big corporations. That is an entirely erroneous idea. I had the privilege some three or four years ago of attending what is called the co-operative auction sale of furs, in the city of Winnipeg. The sale was held in the Royal Alexandra Hotel, and lasted, I suppose, some three or four days. I had nothing particular to do at the time, and spent the better part of two days attending that sale. There were hundreds of buyers there from all over the World—from Europe, from London, and a great many from the United States. There must have been in that room at least four hundred people attending the sale. The furs being sold at that sale were not the furs of the big companies, but the furs of the small independent traders. The day has gone by when the Hudson Bay Company and Revillon Freres control that business. They have got rid of that monopoly. There are now hundreds of traders scattered throughout that north country, and they gather their furs and take them down to the Winnipeg market, where they are sold by auction. Those men, as the honourable member from Edmonton (Hon. Mr. Griesbach) has well said, carry on a very precarious business. I remember the old days, thirty years ago, when these independent traders brought their furs to Edmonton. They were more or less at the mercy of the buyers, and many a year they made no profit at all.

It is all very well to talk about profit in the fur business; but that profit does not go to the fur trader. It does not come until after the fur has passed to the manufacturer. That is where the profit begins to come in. Nobody knows what the condition of the fur market is going to be to-morrow. These traders buy marten to-day at say $6, and when they reach the market next year they may get only $2 in the open sales; and many a year they lose money instead of making it. Any profit there is in the fur business goes to the man who gets the fur in a place like St. Paul, Minneapolis, or New York, and manufactures it in accordance with the fashions of the day.

I object to the Bill on two grounds. In the first place, the amount to be collected is very small; in the second place, I believe the tax will fall on the trader. Further, I believe that the large number of small independent traders should not be called upon to pay the tax because of the precarious nature of the business they are carrying on.

Hon. Mr. DANDURAND: From the information that I have, I believe my honourable friend's argument is faulty. He was in Winnipeg and saw furs being offered for sale. Some of those furs came from Alberta, some from Saskatchewan, some from Manitoba, and some from the North West Territories. The furs that came from the three organized Provinces had paid a tax, and there was a stamp upon them. The trader offering the pelts asked a certain price, and very likely that tax was included in the price, as is done

under good management, and was in that way transferred to the purchaser.

Now, the difficulty which those three Provinces have encountered in levying a tax upon pelts has been that when a man was caught with a pelt that was not stamped, he could always say, "I took it in the North West Territories." So when we ask to put a tax upon the fur which comes from the North West Territories, we are only asking to do the same thing that has been done by the three Provinces, and to help the honest traders of those three Provinces to meet on an equal footing their rivals from the North who at present do not pay the tax.

Hon. Mr. GRIESBACH: I would ask the honourable gentleman whether the Government has been asked by the Provincial Governments to help them in that fashion?

Hon. Mr. DANDURAND: I cannot answer that, but I believe I am making a fair argument to establish the fact that we are helping to maintain order and good morals among the traders of those three Provinces and of the Northwest Territories.

Hon. Mr. LYNCH-STAUNTON: But did you ever think of that before?

Hon. Mr. DANDURAND: I thought of it when I came to ask that a very high penalty be put upon gentlemen whose wives went to New York and bought dresses. I think I remember that two years ago in this Chamber some members thought that we were pretty harsh on ladies who went to New York and paid $105 for a dress and thus became liable to go to jail. What did we find then? We were simply trying to have the law respected.

Now I believe that in this instance we are doing the fair thing by the traders of the western Provinces and of the Northwest Territories, and that when my honourable friend returns to Winnipeg and attends one of those sales, he will perchance look a little more closely to find the stamp that is imprinted on the pelt, indicating that a tax has been paid to one of those provinces. It will have been paid also if it comes from the Northwest, and I believe this will help to maintain the equality of opportunity among all the traders who are selling on the Winnipeg market.

Hon. Mr. CALDER: If this Bill had been introduced for the purpose of clearly defining its intention to protect the Provinces, I doubt very much if I would have taken the attitude I have. But that was not the explanation that was given to us. The only explanation was that the Bill was to raise revenue. The honourable leader of the Government spoke of the Northwest Territories with their vast resources, and said it cost so much money to administer the law in those Territories, that the Government needed the revenue, and that this measure would provide $75,000 revenue.

Now we have an entirely different argument. now he comes and says that that is not its main purpose at all, but that there are three Provinces in western Canada that have a tax on furs, and they have these fur sales, and perchance many of those fur sales will go on without having collected the tax of the Provincial Government, and therefore we should pass this law so that the Provinces may collect their full revenue.

But what are the facts so far as the collection of revenue is concerned in the Northwest Territories? There are very few outlets for furs. There is one at Hudson Bay, and I suppose that is why the change is proposed. The furs will be exported at Fort Nelson or Fort Churchill, and go direct to the Old Country. But no one can say that the police force at those outlets cannot collect the taxes there. No fur can go through the outlet at the north, near the mouth of the Mackenzie River, at Herschell Island, with the police force that is there.

The Province of Manitoba has only one inlet from the north, and it is protected. People do not carry their furs out through the woods and wilds; they have to follow the beaten track, and one or two officers can watch every bit of fur that comes through.

In Saskatchewan, there are only two or three points at which fur can come in, such as Prince Albert and Battleford.

In the Province of Alberta you have the main inlet at Edmonton, and there is no place east of Edmonton where they could get through. These furs are sometimes carried hundreds of miles, or even a thousand miles, and the trappers can only follow the beaten track, else it would be impossible to get through. So that in that whole stretch of country from Hudson Bay to the Rocky Mountains there are not more than four or five points of entry. The furs have come through those points in the past, and while it is possible that some odd fur may get through otherwise the conditions are such that no great quantity can ever reach Winnipeg for one of those large sales without coming under the review of the officers who possess the power to collect the tax.

My main objection to this Bill is that the tax will fall upon the small trader, and for all the money that is involved I do not think the tax is reasonable or fair.

Hon. Mr. DANDURAND: Was not my honourable friend a member of the Saskatchewan Government that imposed the tax on furs?

Hon. Mr. CALDER: Surely, but the conditions are entirely different. Take Saskatchewan, for example; there are a certain number of traders in the country, but they are living under entirely different conditions from those in the territories. Many of those traders have different work during the year; some are even farmers, and they go out into the woods in winter, and set traps. They are living within the bounds of civilization, with all that that means. But take the man living on the edge of the Riding Mountains who is a trapper, and compare the conditions under which he lives with those of the man north of Athabasca Lake who lives entirely on his traps, and who might be said to be outside of civilization. Where people live in settled and governed Provinces, with all that that means, the tax is all right, and there is no objection to it, but when you come to those traders who are living under entirely different conditions I think the tax is all wrong.

Hon. Mr. DANDURAND: I was asked by my honourable friend (Hon. Mr. Griesbach) the question whether the Provinces had asked for this tax, and it happens that I have an affirmative answer in regard to Alberta and British Columbia. They asked for it, and gave the reason.

Hon. Mr. GRIESBACH: Asked what?

Hon. Mr. DANDURAND: The Governments of Alberta and British Columbia gave the reason that they had great difficulty in levying their taxes upon the pelt, because the argument was often made by a man who had furs in his possession, that were untaxed, because he had taken them in the Northwest Territories.

Hon. Mr. GRIESBACH: That may have been so some time ago, but now that argument is very much less prevalent. But here is a suggestion I should like to offer to the honourable leader of the Government. I think it may be asserted that the trader in a Province will get three or four times as much in value for the fur that he trades as will the man coming from a remote part of the Northwest Territories, because in many parts of Alberta a trapper is within fifteen or twenty miles of a railway. Along the whole of the railway from Edmonton to McMurray, for example, a man would get his groceries and provisions from some village or wayside station on the railway. Therefore the basis of trading is so favourable to a man in a Province that he will get perhaps three times as much for his furs as the unfortunate individual who lives, we will say, at the east end of Slave Lake, where flour has to be carried and changed at one time and another until it is worth $20 a bag. Yet you are putting a tax on the man who gets less for his fur than of any trapper in Canada.

Hon. Mr. LYNCH-STAUNTON: If the honourable gentleman is putting this tax on to help the Provinces—

Hon. Mr. DANDURAND: Not to help the Provinces: to help administer those Northwest Territories.

Hon. Mr. LYNCH-STAUNTON: How will that come about? They may put a tag on the furs taxed in the Northwest Territories, and when they come into a Province they will be the only furs that will be exempt. Why could you not put the tag on particular furs that are taken in the Northwest Territories, without charging a tax?

Hon. Mr. DANDURAND: I am informed that there are large companies that to-day monopolize about 75 per cent of the trade, so that it would be easy to collect that tax to the extent of that 75 per cent from those large companies, most of which are exporting directly to Europe. There may be three or four of those large companies; I know personally of two. Although my honourable friend from Saltcoats (Hon. Mr. Calder), who spoke for the small trader, may think that $75,000 is a small sum, yet it is these small sums collected by the various departments for services directly rendered that help to maintain the various services of government.

Hon. Mr. LYNCH-STAUNTON: But that does not answer the argument that this is a great hardship on the poor trapper of the north country.

Hon. Mr. DANDURAND: Well, as to that there is a legitimate difference of opinion. The Department does not believe that the trapper will stand in any danger of receiving a small offer for his fur because a purchaser will have to pay a 25 cent tax on a pelt.

Hon. Mr. DONNELLY: My honourable friend is giving $75,000 as the estimate of the amount to be raised by this tax; but could he give us an estimate of the cost of collecting the tax, or the method to be followed in collecting it?

Hon. Mr. DANDURAND: The collection will be made by the Royal Canadian Mounted Police, and will cost nothing.

Hon. Mr. GRIESBACH: The development of Canada, in all the ages of our country, has been somewhat on these lines. First, the fur trader gets in contact with the aboriginal inhabitants. He is followed by the missionary in course of time, and after these two classes of people have tested the resources of the country the farmer and the artisan come along, and with the experience of those two pioneers the country is built up. That is what has happened all over this country, and is what is happening in the great Northwest Territories to-day.

Now, this Government, who ought to be assisting and fostering that development, as far as they can, and have done so by giving it police protection, radial service, and that sort of thing, suddenly and without warning —I mean it will take four years to find out— strikes a vital blow at the fur industry and at the people who are engaged in it. My honourable friend from Saltcoats (Hon. Mr. Calder) has shown how the levy made on the trapper will strike a vital blow at the people who are doing this important development work. That is another reason why I should vote against this Bill.

Hon. Mr. DANDURAND: We are only striking the exporter. I move the adoption of this first clause as amended, replacing the word "foreign" by "other".

Hon. Mr. CALDER: In order to test the opinion of the House on this question, if I am in order, I would move in amendment that the Committee rise.

Hon. Mr. DANDURAND: No; we can divide on the adoption of the clause.

Hon. Mr. CALDER: Either one or the other.

The motion of Hon. Mr. Dandurand for the adoption of the clause as amended was negatived: yeas, 16; nays, 17.

The Hon. the CHAIRMAN: Shall clause 2 be rejected on the same division?

Hon. Mr. CALDER: Apparently there is a majority opposed to the Bill, and in order that it may be disposed of I will move that the Committee rise; that will be the end of the Bill.

The motion of Hon. Mr. Calder was negatived: yeas, 16; nays, 17.

Hon. Mr. DANDURAND: I move that we reconsider clause 1.

The motion of Hon. Mr. Dandurand was agreed to on division: yeas, 17; nays, 16.

Progress was reported.

RURAL CREDITS BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 62, an Act for the purpose of establishing in Canada a system of Long Term Mortgage Credit for Farmers.

Hon. Mr. Robinson in the Chair.

Sections 1 and 2 were agreed to.

On section 3—Canadian Farm Loan Board:

Hon. W. B. ROSS: Mr. Chairman, we amended that section last year in a small particular. After the word "Council" in the fourth line on page 2, we inserted the words "on such terms and conditions as the Governor in Council may prescribe." Though it is a slight amendment, it puts the machinery in operation. So I move that we insert those words.

The amendment was agreed to, and section 3 as amended was agreed to.

Section 4 was agreed to.

On section 5—capital requirements:

Hon. W. B. ROSS: There were amendments to that section, and I believe they improved it. The section was reconstructed to read as follows:

> The Government of Canada may subscribe to an initial capital to an amount not exceeding five million dollars and may pay the amount of any such subscription at such times and in such amounts as in the judgment of the board are necessary for the purposes of the Board.

Those words take the place of—

The Hon. the CHAIRMAN: The first sentence?

Hon. Mr. ROSS: Yes, the first sentence of subsection 1 of section 5.

A further change we made in that clause was that the word "changed" was struck out and the word "paid" was put in its place.

Then, in subsection 2 we took out the words, beginning in the ninth line: "capital stock shall at all times equal, as nearly as may be, fifteen per cent of the total farm loans theretofore made and not fully repaid. The said." I move this change again. I think all these are improvements of the section.

The amendments of Hon. Mr. Ross were agreed to, and subsection 1 of section 5, as amended, was agreed to.

On paragraph (a) of subsection 2 of section 5—five per cent of loans subscribed by Government of Canada:

Hon. Mr. ROSS: There are slight changes to be made there. In paragraph (a), after the word "total" in line 20 insert the words, "amount of principal outstanding on."

The amendment of Hon. Mr. Ross was agreed to.

Hon. Mr. ROSS: Then in the next line, line 21, the words "and not fully repaid" should be stricken out.

The amendment of Hon. Mr. Ross was agreed to.

On paragraph (b) of subsection 2 of section 5—five per cent of loan subscribed by provinces:

Hon. W. B. ROSS: I propose a similar change in paragraph (b): that in line 29, after the word "total" the words "amount of principal outstanding on" shall be inserted; and that the words "and not fully repaid", in the next line, be struck out.

The amendment of Hon. Mr. Ross was agreed to.

Subsection 2 of section 5, as amended, was agreed to.

Section 6 was agreed to.

On section 7, subsection 5—interest:

Hon. W. B. ROSS: There is a correction that ought to be made at the top of page 5. The words "not exceeding one per cent of the amount of the loan" were struck out. That, I think, is one of the main amendments that were made in this House last year, and my motion will be to strike out those words.

The amendment of Hon. Mr. Ross was agreed to.

On subsection 6 of section 7—repayment:

Hon. W. B. ROSS: There is a change in that. After the word "interest", in the ninth line, insert the words, "at the option of the borrower":

Every farm loan shall be repayable in equal annual or semi-annual instalments of principal and interest at the option of the borrower.

The amendment of Hon. Mr. Ross was agreed to.

On subsections 7 and 8 of section 7—interest on defaulted payments; payments by borrower:

Hon. W. B. ROSS: Subsections 7 and 8 go together. They were amended by the insertion of two new clauses.

The Hon. the CHAIRMAN: Perhaps I had better read the new clauses.

Hon. Mr. ROSS: Yes, or I will read them. Subsection 7 will read:

(7) Notwitstanding anything contained in the Interest Act every borrower shall pay simple interest on defaulted payments at a rate not exceeding eight per cent per annum and shall agree to pay when due all assessments, taxes and other charges necessary to be paid for the security of the Board in respect of the loan and to effect such insurance as the Board may require. Should such taxes, assessments and charges not be paid when due, they may be paid by the Board and charged to the borrower, and if not repaid to the Board on or before the next interest date with interest thereon at a rate not exceeding eight per cent per annum the borrower shall be considered in default under the mortgage.

Subsection 8 will read:

(8) Notwithstanding anything in this Act, but subject to such regulations as the Board may prescribe not inconsistent with the provisions of the Interest Act, any borrower may at any time repay the whole or any part thereof on any date on which an instalment becomes due, and any such payment shall be credited to the borrower in such manner as the Board may by regulation prescribe as hereinafter provided, but no such payment shall relieve the borrower from meeting all subsequent payments punctually as they fall due.

I move to insert these two clauses in place of subsections 7 and 8.

The amendment of Hon. Mr. Ross was agreed to.

On subsection 9 of section 7—if loan expended for other purposes:

Hon. W. B. ROSS: After the words "the said loan shall" insert the words "at the option of the Board."

The amendment was agreed to, and subsection 9, as amended, was agreed to.

On subsection 10 of section 7—in case of sale:

Hon. W. B. ROSS: The same amendment should be made in this subsection.

The proposed amendment was agreed to, and subsection 10, as amended, was agreed to.

Section 7, as amended, was agreed to.

On section 8—when loan available:

Hon. W. B. ROSS: In subsection 2 of this section, the word "five" should be changed to "four." It will then read: "The establishment of a Provincial Board of four members."

At the top of page six in the same section, the words "two members" should be struck out and the word "member" inserted.

Then, there is an addition to be made at the end of this subsection:

Provided, however, that until such time as in the judgment of the Board such nomination by the borrowers is practicable the members of the Provincial Board nominated by the Government of the Province may exercise all the functions of the Provincial Board.

Hon. Mr. DANDURAND: What part of section 8 is that?

Hon. W. B. ROSS: At the end of subsection 2 of section 8.

Then, there is an amendment—

Hon. Mr. DANDURAND: In subsection 3 the House of Commons have added the words "or recognized colonization societies" to the Bill of last year. It does not alter the economy of the Bill. It reads:

Subject to the approval of the Board whether loans shall be made directly to farmers to through local co-operative societies or recognized colonization societies, or both directly to farmers and through local co-operative societies or recognized colonization societies as the Province may desire.

It is left at the discretion of the Province.

Hon. W. B. ROSS: That will remain as it is.

The proposed amendments were agreed to, and section 8, as amended, was agreed to.

On section 9—reserve fund:

Hon. W. B. ROSS: There is a change to be made at line 31. After the word "capital" insert the word "stock." Then it will read: "capital stock of the Board."

Then a new subsection should be added as subsection 5. It reads:

If as a result of proceedings under any mortgage the title to the property securing such mortgage is transferred to the Board, the stock held by the borrower in the Board shall be cancelled and the amount paid thereon by the borrower shall be forfeited to the Board.

I move that that be added as subsection 5.

The proposed amendments were agreed to, and section 9, as amended, was agreed to.

Sections 10, 11 and 12 were agreed to.

On section 13—cost of administration of Provincial Board:

Hon. W. B. ROSS: The words "subject to the approval of" in the last line of this section should come out, and the words "fixed by" should be inserted.

Then there were three new clauses that were added last year as (a), (b) and (c). I move to insert those clauses again.

The proposed amendments were agreed to, and section 13, as amended, was agreed to.

Section 14 was agreed to.

On section 15—purchase of bonds by minister:

Hon. W. B. ROSS: There is a slight change there. In the fourth line of section 15, after the word "Board" the words "at the price originally paid therefor" should be added.

The proposed amendment was agreed to, and section 15, as amended, was agreed to.

On section 16—regulations:

Hon. W. B. ROSS: There is a verbal change to be made in paragraph (a) of this section. After the word "remuneration" add the words "and their duties".

The proposed amendment was agreed to, and section 16, as amended, was agreed to.

Section 17 was agreed to.

On the title:

Hon. G. G. FOSTER: Before the title passes, Mr. Chairman, may I say that while I have not offered any formal opposition to the clauses that we have agreed upon, I wish again to take the position I took last year, that I do not believe in the principle of this Bill. I believe it is giving to an organization, that may use it to the disadvantage of the country, and perhaps unfairly, an amount of power that no corporation or no individual in the country could possibly hope for or expect to receive. At the same time, assuming that this matter will be properly administered, and believing that the changes we have made will tend to prevent disaster, if it does work out to the advantage of the country nobody will be better pleased than I shall be. Personally, however, I do not think it is safe and sound legislation, and I am opposed to the principle of the government doing a loan business.

Hon. Mr. WILLOUGHBY: This is exactly as we passed the Bill last year.

Hon. Mr. MURPHY: Yes.

The title was argeed to.

The preamble was agreed to.

The Bill was reported, as amended.

PRIVATE BILL

MOTION FOR CONCURRENCE IN AMENDMENTS

On the motion for concurrence in the amendments made by the Standing Committee on Miscellaneous Private Bills to Bill 42, an Act respecting certain patents owned by Albert P. Frigon.—Hon. Mr. Béique.

Hon. W. B. ROSS: I think this might stand over until to-morrow, or until the honourable member (Hon. Mr. Béique) is here. There is some objection to these amendments. I do not know exactly what it is. If the honourable gentleman were here he would probably explain, and there would be no difficulty about it. Personally, I do not know anything about the Bill except that one or two people have spoken to me about it objecting to the renewal of the patent. It has been dead for about five years, I think. If the honourable member were here, he could probably explain.

Hon. Mr. MURPHY: My recollection is that when the Bill came up before, the position just mentioned by the honourable leader of the Opposition was stated, and in addition a prospect was held out that the Patent Office, or its representatives, would attend the Committee and state what their position was; because, on the face of it, it is an extraordinary thing that a patent which has been dead for five years would be revived in this off-hand way.

Hon. G. G. FOSTER: Because it has been used by a certain number of people.

Hon. Mr. MURPHY: Possibly, and there is no provision to safeguard rights that might have developed in the meantime.

Hon. Mr. BLACK: I heard the discussion of this Bill in the Committee on Miscellaneous Private Bills. The parties interested in the renewal were there, as well as one gentleman in opposition, and the Committee were satisfied to the extent that they voted unanimously in favour of renewal. There was no objection to this Bill by any member of that Committee, and the objections that were made to it seemed rather trivial.

Hon. Mr. DANDURAND: The practice is that if there is not to be any opposition to the report of the Committee, we may take that stage, but if there is, then of course we owe it to the gentleman in whose name the Bill stands to adjourn the discussion.

Hon. Mr. BEAUBIEN: In view of the explanation just given we might well proceed.

Hon. Mr. DANDURAND: If there is no objection to taking that stage, but I do not know anything about the Bill; I have not read it.

Hon. W. B. ROSS: I will be guided by the Committee; they were unanimous about it.

The motion for concurrence was agreed to.

Hon. Mr. MURPHY.

CANADA'S RAILWAY PROBLEMS

DISCUSSION CONTINUED

The Senate resumed from March 22 the debate on the inquiry of Hon. Mr. Robertson:

That he will call the attention of the Government to certain matters affecting Canada's transportaion activities and problems; will enquire of the Government whether or not it has any definite policy in relation thereto, and if so, will ask that it be publicly declared.

Hon. Mr. STANFIELD: Honourable gentlemen, when I moved the adjournment of the debate I had no intention of speaking on this matter, neither have I now. I simply moved the adjournment in order to give some other honourable gentlemen an opportunity to speak.

Hon. G. D. ROBERTSON: Honourable gentlemen, as I understood the other day, the discussion of this matter is concluded; but before my honourable friend the leader of the Government makes his reply, I would like to offer a few observations concerning some matters mentioned and points raised.

The Hon. the SPEAKER: Of course, the honourable gentleman has no right to speak, except with the leave of the House. The discussion is not on a motion at all; it is only on an inquiry. If the House has no objection, I have none, to the honourable gentleman going on.

Hon. Mr. ROBERTSON: I would respectfully ask the leave of the House for a few minutes, simply to make reply, in the hope of placing upon the record, further information which honourable gentlemen indicated their desire to have.

Some Hon. SENATORS: Agreed.

Hon. Mr. ROBERTSON: My honourable leader on this side of the House (Hon. W. B. Ross) indicated that he had found difficulty in obtaining satisfactory information as to the earnings of various classes of employees in the railway service in Canada. Without attempting to go into a discussion or explanation of that matter, I would be glad to place upon the record a copy of a published statement issued by the Department of Labour under date of January, 1927, which gives that information for each year, extending over a period of years from 1920 to 1926, and gives the rates of pay which various classes of men in the railway service had received, with the fluctuations, during the period. Without further explanation, with the leave of the House I will have it spread on the record:

*Rates of wages and hours of labour of employees on steam railways

Occupation	Unit	September, 1920		September, 1921		September, 1922		1923, 1924, 1925		December, 1926	
		Wages	Hours per week	Wages	Hours per week	Wages	Hours per week	Wages	Hours per week	Wages	Hours per week
		$		$		$		$		$	
Conductors, passenger	100 miles	4·67	†	4·27	†	4·27	†	4·27	†	4 17	†
Conductors, freight (Irreg.)	100 miles	6·44	†	5·80	‡	5·80	‡	5·80	‡	6·16	‡
Brakemen, passenger	100 miles	3·33	†	2·93	†	2·93	†	2·93	†	3·13	†
Brakemen, freight (Irreg.)	100 miles	5·12	‡	4·48	‡	4·48	‡	4·48	‡	4·84	‡
Baggagemen, passenger	100 miles	3·44	†	3·04	†	3·04	†	3·04	†	3·24	†
Engineers, passenger	100 miles	6·48	†	6·00	†	6·00	†	6·00	†	6·00	†
Engineers, freight (Irreg.)	100 miles	7·28	‡	6·64	‡	6·64	‡	6·64	‡	6·64	‡
Firemen, passenger	100 miles	4·96	†	4·48	†	4·48	†	4·84	†	4·48	†
Firemen, freight (Irreg.)	100 miles	5·52	‡	4·88	‡	4·88	‡	4·88	‡	4·88	‡
Despatchers	Month	247·00–255·00	48	230·00–238·00	48	230·00–238·00	48	230·00–238·00	48	230·00–238·00	48
Telegraphers	Month	130·00–141·00	48	117·00–128·00	48	117·00–128·00	48	117·00–128·00	48	117·00–128·00	48
Maintenance of Way—											
Foremen on line	Day	5·30	48	4·50	48	4·26	48	4·40	48	4·40	48
Sectionmen on line	Day	3·88	48	3·20	48	2·80	48	3·04	48	3·04	48
Car and Shop Trades—											
Blacksmiths	Hour	·85	44	·77	44	·70	44	·70	44	·70	44
Boilermakers	Hour	·85	44	·77	44	·70	44	·70	44	·70	44
Machinists	Hour	·85	44	·77	44	·70	44	·70	44	·70	44
Moulders	Hour	·85	44	·77	44	·70	44	·70	44	·70	44
Carpenters, freight	Hour	·80	44	·72	44	·63	44	·63	44	·63	44
Painters, freight	Hour	·80	44	·72	44	·63	44	·63	44	·63	44
Repairers, freight	Hour	·80	44	·72	44	·63	44	·63	44	·63	44
Cleaners	Hour	·50	44	·42	44	·37	44	·38	44	·38	44

*Rates for running trades and despatchers and telegraphers in British Columbia are slightly higher than above. Where ranges are shown for despatchers and telegraphers, the lower rate is that paid east of Fort William, and the higher rate is that paid west of Fort William to British Columbia.

†Basis of 20 miles per hour, 150 miles per day. ‡Basis of 12½ miles per hour, 8 hours per day.

My honourable friend from Montarville (Hon. Mr. Beaubien) made some observations that were quite in order. I was glad to hear that after a somewhat careful inquiry on his part into the statement and figures which I had put on the record he found them correct, except that he felt that I had not told the complete story, and he drew conclusions on the basis of hourly rates of pay.

I could carry my honourable friend back quite beyond 1917, the year that he mentioned, because I well recall that in 1892 I worked 12 hours a day, 7 days a week, for 9 cents an hour. If we were to base the percentage of increase in railway wages from that time forward it would look like a very substantial improvement. But I think that the annual earnings of working men form the fair basis from which to judge, no matter in what capacity they may be employed.

My honourable friend from Montarville also had some little doubt, I think, as to the accuracy of some statements which I made with reference to the comparative fluctuation in earning power of railway employees as compared with those in industrial activities in Canada. Likewise I wish to place upon the record an extract from a document published by Parliament last year on this very question, which gives in tabulated form the comparative fluctuation in wages among railway men and eight other classes of industrial workers, the total amounting to over a million employees in Canada. This statement speaks for itself, and it will give honourable gentlemen accurate information on that point. The statement is as follows:

Table of index numbers of rates of wages for various classes of labour in Canada 1901-1926

(Rates in 1913=100)

Year	Building Trades	Metal Trades	Printing Trades	Electric Railways	Steam Railways	Coal Mining	* Average	Common Factory Labour	Miscellaneous Factory Trades	Logging and Sawmilling
1913	*100·0*	*100·0*	*100·0*	*100·0*	*100·0*	*100·0*	*100·0*	*100·0*	*100·0*	*100·0*
1914	100·8	100·5	102·4	101·0	101·7	101·9	*101·4*	101·0	103·2	94·7
1915	101·5	101·5	103·6	97·8	101·7	102·3	*101·4*	101·0	106·2	89·1
1916	102·4	106·9	105·8	102·2	101·9	111·7	*105·7*	110·4	115·1	109·5
1917	109·9	128·0	111·3	114·6	110·1	130·8	*117·5*	129·2	128·0	130·2
1918	125·9	155·2	123·7	142·9	133·2	151·8	*139·8*	152·3	146·8	150·5
1919	148·2	180·1	145·9	163·3	154·2	170·5	*160·4*	180·2	180·2	169·8
1920	180·9	209·4	184·0	194·2	186·6	197·7	*192·1*	215·3	216·8	202·7
1921	170·5	186·8	193·3	192·1	165·3	208·3	*186·1*	190·6	202·0	152·6
1922	162·5	173·7	192·3	184·4	155·1	197·8	*176·8*	183·0	189·1	158·7
1923	166·4	174·0	188·9	186·2	157·4	197·8	*178·4*	181·7	196·1	170·4
1924	169·7	175·5	191·9	186·4	157·4	192·4	*179·3*	183·2	197·6	183·1
1925	170·4	175·4	192·8	187·8	157·4	165·1	*174·8*	186·3	195·5	178·7
1926	172·1	177·4	193·3	188·4	158·9	165·1	*175·9*	187·3	196·7	180·8

My honourable friend, in dealing with this question, also drew some comparisons between railway employees and civil servants. For several reasons I hesitate to invade that field, but if my honouarble friend will take the pains—as I am sure he would be glad to do if he is interested in the subject—to compute the hours of actual service which civil servants render, as compared with the actual hours worked by railway employees, he will find that on an hourly basis the percentage would be very substantial in favour of the railway men. For example, if my honourable friend, or any honourable gentleman, would refer to page 27 of the publication issued by Parliament in 1926, being a report of the Industrial Relations Committee, he will find the information for which my honourable friend from Montarville was seeking. He referred particularly to engineers operating passenger trains. This record shows that engineers of passenger trains worked in that year 2,434 hours and that their average annual earnings were $3,249, their average hourly earning being $1.33. If my honourable friend will turn to the Auditor General's report for 1924—the same year that these figures cover—he will find that head clerk in the civil service received $2,760, but on the basis of the hours of service performed he received $1.68 an hour, as against $1.33 of the locomotive engineer, who had been in the service of the railway for probably thirty years before he reached the point where he was entitled to that position.

Therefore when we come to compute wages or make comparisons on an hourly basis we would find that persons who are in the civil service would make the railway employees' wages look like a peanut beside an apple.

Hon. Mr. ROBERTSON.

I happen to be interested in one particular class of railway employees, perhaps, more than others. That class comprises train dispatchers, station agents and telegraph operators, all of whom have a good deal of responsibility in connection with their work. I am sure that every honourable gentleman appreciates the gravity and responsibility of the position of train dispatchers, and in Canada to-day they receive, I think, $1.11 an hour. I was rather impressed, in making a comparison with a senior file clerk in the civil service, to find that the rate of the latter is also $1.11 an hour. I will not go further into that, because the comparisons would be still more to the advantage of railway men, and perhaps this is not the time to enter into a detailed discussion of that; but I would just refer honourable gentlemen to the record, and they can make their own comparisons and draw their own conclusions.

One other point I would like to mention, that of the class of railway employees that go to make up the average railway earning of 57 cents an hour, there are thousands engaged in construction and maintenance work in the summer season that are not included at all, whose rates of pay run as low as 25 cents an hour; so that the figures that were put on the record of March 10th here do not include the large number of men who are working for a very small wage, that would bring the average down if they were to be included.

Again, I would draw the attention of the House, in all seriousness, to the fact that railway employees in Canada are to-day receiving more than $200 a year less than comparable employees on United States railroads; and, as explained the other day, in 1921, they con-

tributed $170 a year, each, by way of reduction in wages, with a view of trying to help out the difficult situation with which our railways were then confronted.

I want to point out one other feature that has a bearing, and an important bearing, on this question, so far as railway men are concerned, of which the general public may not have thought. I note that in January last a gentleman named Grant, who is a professor of Economics in the Agricultural College at Winnipeg, a Provincial employee, made the statement that in 1923 the cost of producing a bushel of wheat in the Province of Manitoba was 81 cents. He stated at the same time that the cost of producing a bushel of similar wheat in the State of Minnesota or the Dakotas was $1.20—a difference of 50 per cent. My honourable friend from Montarville in his remarks the other day indicated, I have no doubt correctly, that the cost of transportation of that wheat on a Canadian railroad for the same distance was approximately half of what it would be on a United States railroad. Yet what do we find? I was in the city of Detroit a few weeks ago negotiating some wage adjustments with an American railway on behalf of the employees, and while the average rates are higher in the United States, those employees are purchasing bread made from American wheat, which costs $1.20 to raise, and twice as much to transport, and are paying 9 cents for a 2-pound loaf of bread, or three loaves for a quarter of a dollar, while in Canada, and right in Ottawa, for bread made from wheat that costs 81 cents a bushel, and perhaps half as much for transport, we pay 11 cents for a 2-pound loaf. That is, we pay 2 cents a loaf more for bread manufactured from our wheat, that obviously costs about 50 per cent less to produce, and half as much to transport.

The Canadian railway employee, with the reduced wage, is paying a higher price for bread as compared with the American railway employee with the advanced rate, who is getting the cheap bread.

I call the attention of my honourable friend opposite (Hon. Mr. Dandurand) to the fact that a few years ago his Government created what was supposed to be a very efficient machine, the purpose of which was to pulverize combines; and it may very well be that that machine might be put into operation to investigate bread prices to-day. There are 9,000,000 people in Canada, and roughly speaking, we consume one-third of a loaf of bread per capita per day. If costs were the same in both countries to produce, on that basis we are paying $60,000 a day more for our bread in Canada than the people in the United States are paying for theirs, the comparison being based on our population; but with the difference in cost of production of the wheat, from which the bread is made, we might expect a little advantage in this figure.

The railway employees feel that they are paying $28,000,000 a year towards that advantage which wheat growers are receiving. On the other hand they pay 20 per cent more for their bread, and that enters into their calculation of the things that concern them so seriously at the present moment. I bring that to the attention of the Government as one matter which might be worthy of some consideration on their part.

I propose to mention just one other point. My honourable friend from Montarville, in his very courteous and genial way, rebuked me just a little for presuming to bring this question to the attention of Parliament and the country because of what he seemed to think was the undesirable effect that it had. I think his words were:

> My honourable friend, instead of emphasizing the discontent of workmen, and encouraging them to go ahead and exact higher wages, might restrain them and tell them: "No; in a country like Canada, so widely spread and so sparsely populated, you cannot expect greater remuneration now."

I desire to point out to my honourable friend and to the House that it was not my object to agitate for increased remuneration for railway employees, when I brought this matter to the attention of Parliament. My object was purely and simply this; knowing the conditions as they are, I believed that the people of Canada, the members of Parliament, and the press in generally did not appreciate the facts, but were of opinion that Canadian railway employees, as a whole, were being paid equal to if not better rates than those of the United States. I felt that the Canadian public were wholly unaware of the fact that while we have been standing still for the past four years, similar employees in the United States have been advancing at the rate of at least 7½ per cent in that time, so that the situation was growing not only interesting but acute. That being so. I was convinced that any further interference in the adjustment of the freight-rate structure—which our friends of the railway have always said was the reason why they were unable to treat their employees in the manner that some of them indicated they would be glad to do—would cast a serious responsibility upon the Board of Railway Commissioners first, and the Government second,

for what might occur in the event of this situation developing as there was danger of it doing.

As a member of Parliament, with knowledge of these things, I consider that it was not only proper, but it was my duty, to bring them to the attention of the House. I trust that no one who has sat in this House for the past ten years with me will ever for one moment think that I had in mind any attempt to stir the minds of railway employees of Canada to greater effort in bringing this matter to the attention of the House. Indeed, may I say that a few days after I addressed the House on the subject, our daily newspapers came out with statements such as these:

Gross revenue for the 12-month period was the greatest since 1920, being nearly $4,500,000 ahead of the fine showing made in 1925, and gross earnings from railway and lake steamers the year resulted in a notable increase—

And so on. Published in the daily press, it has had the effect, to a far greater degree than anything I have ever said, of bringing to the attention of the railway employees the fact that our railways are apparently not wholly consistent in the attitude they have taken towards their employees when they boast to the public of the splendid increase in their net earnings and yet attempt to continue telling the employees, "Because of the freight rate situation and the investigation that is going on, we cannot meet your reasonable request."

I am inclined to think that the whole discussion will have done good; that it will have had the effect of bringing all interests nearer to a realization that something must be done to meet this situation reasonably; and I have no doubt in the world that, with such a spirit as has permeated and actuated the railway employees in Canada as well as the railway managements for many years, they will be able to work out their problems. But I am anxious that neither the railway men nor the Government or Parliament of Canada should find themselves in a position where they might be held responsible for having created a situation that could not be taken care of without difficulty.

I feel that the best summing up that could be made of the railway problem and the present situation with reference to rates would be to quote from a farmers' publication if you please, known as the Farm and Ranch Review, printed in Calgary, Alberta, an article which I think is one of the sanest utterances on the subject that I have seen. It comprises just three paragraphs, and before closing I will put it on the record. I fancy that every honourable member of this House knows the writer. He says:

Hon. Mr. ROBERTSON.

No country in the world depends so abjectly and completely upon the highest degree of efficiency in transportation as Canada does. Our great exporting area, contributing the bulk of the railway tonnage, lies far inland and presents practically a one-way haul and thus creates a unique problem. Canada's whole future development in agriculture and industry will be absolutely limited and controlled by the skill and ingenuity of our transportation leaders and the expedition with which we may succeed in augmenting our population, so as to eliminate the terrible handicap we heedlessly created when we embarked on our spectacular railway expansion program some years ago.

Canada has 42,692 miles of railways to serve a pitiful nine million people. In 1900 we had only 17,657 miles of railway. This enormous expansion adventure, was based on the confident expectation that the stream of immigration would continue unabated, or even at a greater rate than prevailed during the earlier years of the present century. In this we have been woefully disappointed. We have to-day more miles of railway than any other country, except the United States, and more miles per thousand inhabitants than any country on earth. This is very impressive; also very expensive. Our transportation plant is apparently about twice as large as it ought to be. But it will be needed one of these days, so we cannot profitably scrap any considerable part of it.

The Consequences of Rate Control

Canada now enjoys the lowest freight rates in the world's transportation history. Europeans look upon this creditable achievement with envy and admiration. But our geographical handicaps render such a high standard of efficiency absolutely imperative. The Canadian public is in intimate business partnership with all its railway systems, whether corporately or publicly owned. The impartial hand of rigid public control rests upon them all, equally and effectively. But this safeguard against excessive rates naturally creates certain unavoidable responsibilities. In point of fact, Canada must either provide a sufficient volume of traffic to yield her railways a satisfactory net return on capital invested, or submit to increased rates. That seems to be the inevitable choice and logical consequence of rate control.

So we cannot apparently afford to regard our transportation problem with unconcern. Until such time as increased population more nearly balances our railway facilities, we must pay for the present uneconomic situation either through taxation or through increased carrying charges.

I think those few paragraphs very nicely sum up our railway situation and the problems of to-day. I hope my honourable friend the leader of the Government will keep in mind the thought suggested, that it would be desirable to stabilize this situation by ending the uncertainty that has prevailed for the last five years with reference to railway rates; that if this can be done and an indication given to the people that the Government has adopted a policy and will carry it out, conditions will settle down and automatically adjust themselves by means of conferences

between the railways and the employees concerning their difficulties and this shadow that has constantly hovered over the whole railway situation for the last five years, owing to conditions which I need not repeat now, but which we all know, will pass away. I sincerely hope that my honourable friend will feel that in bringing this matter to the attention of Parliament my sole purpose was to do what seemed to be the proper thing in the interest of the people and the country at large.

Hon. Mr. BEAUBIEN: Will the honourable gentleman allow me a question—

Hon. Mr. ROBERTSON: Surely.

Hon. Mr. BEAUBIEN: —which, no doubt, the honourable leader on this side of the House (Hon. W. B. Ross) would have put to him? I understand that the honourable leader on this side complained that it was absolutely impossible to ascertain in any publication, statistical or otherwise, exactly what the railway men were earning. I understand the honourable gentleman from Welland (Hon. Mr. Robertson) answered the honourable leader's complaint by placing on Hansard the document which I have in hand. Now, I would ask the honourable gentleman, first, whether this is not the precise document to which I referred, and of which I complained as giving not the rate of wage per day, but simply an amount, with an marginal note stating that so many miles or so many hours would constitute a day. I will give an example: "Conductors, passenger, $4.47 per day." Marginal note: "Basis of 20 miles per hour, 150 miles per day." Here is another reference: "Conductors, freight, $6.16 a day." Marginal note: "Basis of 12½ miles per hour, 8 hours per day."

The honourable leader on this side of the House asked whether there was any document that would enable ordinary persons like ourselves to ascertain, not the formula for the purpose of calculation, but the exact amount that a man earned in a day or a year, as such information can be obtained respecting, for instance, civil service employees. That is my first question. Is there such a source of information?

Hon. Mr. ROBERTSON: Although I think the figures already given are complete, I will gladly place on the record. in answer to my honourable friend's question, an extract from page 27 of the Report made to Parliament last year by the Committee on Industrial Relations. It reads as follows:

Average working time and wages per year of certain classes of railway employees and of all classes, including general officers etc.

—	Average hours worked per year	Average earnings per hour	Average earnings per year
		$	$
Telegraphers, etc.	2,530	·689	1,743
Road Freight Conductors	2,925	·864	2,527
" " Brakemen	2,746	·672	1,845
" Passenger Engineers, etc.	2,434	1·335	3,249
" " Firemen	2,386	1·003	2,393
" " Conductors	2,599	1·049	2,726
Clerks	2,424	·570	1,382
Machinists	2,040	·736	1,501
Sectionmen	2,469	·365	901
All Classes	2,446	·577	1,411

The first class, "telegraphers, etc.," takes in station men and train despatchers.

Hon. Mr. BEAUBIEN: The figures give the average.

Hon. Mr. ROBERTSON: The average hours that they worked, their average earnings per hour, and average earnings per year.

Hon. Mr. BEAUBIEN: Will my honourable friend allow me? That was not my question, for I would not go over that ground again. The average was calculated from the statistics, but I am asking now whether there is any document stating, not the average, but the exact amount paid to the men?

Hon. Mr. ROBERTSON: My honourable friend knows that the men are paid according to the services that they render, and perhaps no two men are paid exactly the same amount.

Hon. Mr. DANDURAND: My honourable friend from Montarville (Hon. Mr. Beaubien) would like to see a pay-roll.

Hon. Mr. ROBERTSON: I have no railway pay-roll, but I can assure him that I paid the cheques for many years on one

of our railways, I know how they are made up, and the figures as quoted in the document which I have laid upon the table indicate very accurately the earnings of each of the men for the hours of service that they render. If a man works an eight-hour day, and works every day in the month, then you know what he earns.

Hon. Mr. DANDURAND: I would have been disposed to close the debate by answering the inquiry, but, as it is somewhat late, I will move the adjournment of the debate and give my answer later.

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

APPROPRIATION BILL NO. 5

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 236, an Act for granting to His Majesty a certain sum of money for the public service of the financial year ending the 31st March, 1927.

He said: Honourable gentlemen, this Bill is a supplementary appropriation amounting to $860,331.05. I postponed yesterday the moving of the second reading in order to allow honourable members of the House an opportunity to examine the details of the Bill and to put me any questions they might desire to ask.

Hon. Mr. WILLOUGHBY: This is only a part of the supplementaries, I understand. There are more yet to come?

Hon. Mr. DANDURAND: I am under the impression that this is the last supplementary for the current year, ending on the 31st of this month.

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

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

FOOD AND DRUGS BILL

FIRST READING

Bill 105, an Act to amend the Food and Drugs Act, 1920.—Hon. Mr. Dandurand.

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

THE SENATE

Wednesday, March 30, 1927.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Bill O6, an Act for the relief of John Henry Fisher.—Hon. Mr. Willoughby.

Bill P6, an Act for the relief of Leo Bruce Burley.—Hon. Mr. Willoughby.

Bill Q6, an Act for the relief of Hilda Parker.—Hon. Mr. Willoughby.

Bill R6, an Act for the relief of Gladys Ivy Turner.—Hon. Mr. Willoughby.

Bill S6, an Act for the relief of Rose Ann Hill.—Hon. Mr. Willoughby.

Bill T6, an Act for the relief of Annie Mary Ann McCulloch.—Hon. Mr. Willoughby.

Bill U6, and Act for the relief of George Melvil Fleet.—Hon. Mr. Willoughby.

UNION LABEL, ALLIED PRINTING TRADES COUNCIL

INQUIRY

Hon. Mr. BEAUBIEN inquired of the Government:

1. Is the Government aware of a Union label purported to be owned by the Allied Printing Trades Council?
2. Is there such a label registered, and if so, by whom?
3. If in the name of an organization, what civil status has this organization?

Hon. Mr. DANDURAND:

1. There is no Union label known by the office to be owned by the Allied Printing Trades Council.
2. A specific trade mark which may have been used on a label has been registered in the name of the Allied Printing Trades Council in 1897.
3. The status of the Allied Printing Trades Council is unknown.

RURAL CREDITS BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 62, an Act for the purpose of establishing in Canada a system of Long Term Mortgage Credit for Farmers, as amended.

He said: Honourable gentlemen, in moving the third reading of this Bill as amended, I desire to say a few words as to the work of the Committee of the Whole.

This Bill returns to the House of Commons with a number of amendments. It may be noticed elsewhere that there was very little discussion upon these various amendments when they came before the Committee of the Whole.

Hon. Mr. BELCOURT: This year?

Hon. Mr. DANDURAND: Yesterday. I desire to explain how it is that very little discussion took place. The reason is obvious to us in the Senate. The Bill was referred last year to either a special committee or the Committee on Banking and Commerce.

Hon. Mr. BEIQUE: The Committee on Banking and Commerce.

Hon. Mr. DANDURAND: It was thoroughly studied, with the help of experts, representatives of parties interested in the Bill, and other witnesses who came from various parts of the country and offered their testimony. After all that work was done, the record of which may be found in a blue book published on the matter, the Bill was sent to the House of Commons. I do not know but what it was one of the Bills the Senate amendments to which were approved in the other House.

Hon. Mr. BEIQUE: I think so.

Hon. Mr. DANDURAND: I hear the statement that our amendments were concurred in. Yet we find the Bill reaching this Chamber again in the state in which it was presented to us last year. Under the circumstances I quite understand that the Senate would like the House of Commons to pass upon the arduous work which was done by the Senate on this Bill.

There is but one amendment as to which, I confess I had some doubt, namely, an amendment bearing upon a rather important point, the limiting of the cost of administration to one per cent. That was the figure in the Bill as it came to us. I know that it is a matter which has engrossed the attention of many members of Parliament, in both Chambers. The question in my mind was whether the leeway provided in the Bill as it came from the Commons was not sufficient. It is true that the maximum allowed for administrative cost was one per cent, but the Board was authorized to increase the charge in order to cover possible losses. The expression was quite elastic.

However, as our amendments as a whole have not been considered in the Commons at the present Session, I think it is wise to give the other House an opportunity to see what work this Chamber did, and to consider the opinion of this Chamber on several of these clauses.

Hon. W. B. ROSS: Honourable gentlemen, I take this opportunity of re-stating my disagreement with the principle of this Bill. I need not again go over the ground that I covered last year. I voted then against the Bill, but there was a large majority in favour of it. A number of amendments were made in the Senate; and it is only fair to say, with regard to them, that they are not peculiar to either side of the House. Some of the most important amendments were made on the motion of an honourable gentleman on the other side. The honourable member from De Salaberry (Hon. Mr. Beique) moved a very important amendment, and in this I concurred, because though unable to accept the principle of the Bill, I thought we should do the best we could with it. I agreed also to the other amendments. Having given this explanation, honourable gentlemen, I do not see why I should prolong any discussion of the Bill.

Hon. F. L. BEIQUE: Honourable gentlemen, as has been stated just now, this Bill was thoroughly examined by the Committee on Banking and Commerce last year. The Dominion Association of Loan Companies, and the Loan companies of Manitoba and of Saskatchewan were heard, as were also a number of other witnesses. The Committee gave very close attention to the Bill, and it was found necessary to amend it in several respects. As far as I am concerned, I think that it is now the best piece of legislation that I have ever seen since I have been in Parliament. If the Bill passes in its present form it will have the effect of reducing the rate of interest for farmers and enabling them to get money at a reasonable rate of interest for the requirements of their business. The Bill was promoted by the West, and I think the people of the West are the parties most interested, but in its present form it will enable them to enlist the coöperation of the Eastern Provinces. For my part I will use what little influence I possess to try to have the Province of Quebec join in the operation of this measure.

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

PRIVATE BILL

THIRD READING

Hon. Mr. BEIQUE moved the third reading of Bill 42, an Act respecting certain patents owned by Albert P. Frigon, as amended.

He said: Honourable gentlemen, before moving the third reading I desire to say this. I was unable to attend the sitting of the Sen-

ate yesterday, but I learn on reading the Debates that inquiries were made as to the reason which actuated the Committee in passing the Bill. I have not before me the affidavit, but there was an affidavit given by the promoters of the Bill, which satisfied the Committee that the patent should be extended for a reasonable period.

The Committee, however, amended the Bill by substituting for section 2 this clause:

2. If between the date on which each patent designated in the preamble to this Act expired and the seventh day of November, 1926, any person commenced in Canada to construct, manufacture, use or sell any invention covered by that patent, that person may continue to construct, manufacture, use or sell that invention in as full and ample a manner as if this Act had not been passed: Provided that this section shall not apply to any person who may have so used any such invention with the authorization of the patentee.

I understand that the honourable member from Ottawa (Hon. Mr. Belcourt) will move that the words, "or his assigns" be added, and I would have no objection to that amendment.

Hon. Mr. BELCOURT: Honourable gentlemen, the words I wish to add, "or his assigns", are merely for the purpose of covering this case. The patentee may in the meantime have assigned his rights under an agreement. I want to cover the assigns as well as the patentee himself. I therefore move that the words "or his assigns" be added after the word "patentee' in section 2 of the Bill as amended.

Hon. W. B. ROSS: Honourable gentlemen, I hope I shall not be taken as opposing this Bill, but my attention was called some days ago to the fact that it was the renewal of a patent that had been dead for about five years, and I thought there ought to be some explanation given. I understand an explanation has been given which has satisfied the Committee.

Hon. Mr. BELCOURT: The party gave me his memorandum on it; I called the attention of the Committee to the memorandum, and the party was there and was heard.

Hon. W. B. ROSS: And the Committee are unanimous in recommending the passage of the Bill. For that reason I have nothing more to say in the way of objections.

The amendment of Hon. Mr. Belcourt was agreed to.

The motion for the third reading was agreed to, and the Bill, as amended, was read the third time and passed.

Hon. Mr. BEIQUE.

DIVORCE BILL (ONTARIO)

SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of Bill B6, an Act to provide in the Province of Ontario for the dissolution and the annulment of marriage.

He said: Honourable gentlemen, let me first read a memorandum of the present state of applications for divorce at this Session. I think there will be a moral that can be drawn readily afterwards, which I hope will induce support to the Bill that I am proposing to introduce. The notices in the Canada Gazette for this year cover 226 applications for divorce. The petitions already presented number 198; of which 111 have been heard and recommended; 4 heard and rejected; 10 partially heard; and 83 pending hearing. There are now 30 cases set down for hearing, which will be reached, the hearings extending till the 8th of next month. That will leave about 50 cases undisposed of. The Clerk informs me that it will be practically impossible, in the ordinary course, that we should set any cases down for hearing after the 8th of April, assuming that Parliament will prorogue at the time now anticipated. The net result of that is that about 50 cases will of necessity have to go over until next Session. Parliament is responsible to some extent for that, because we have provided no other forum to which the people of Ontario and those who desire divorce in the Province of Quebec can go.

The petitioner in a case does not know in advance when Parliament is going to assemble; much less does he know when it is going to prorogue. The petitions which will not be dealt with could not be taken up until much later in April or May, on account of the publication required, so it would not be possible for us to entertain them at the present moment. There is thus the practical difficulty, that petitioners for divorce cannot know when Parliament will assemble or prorogue, or whether they may not be met by such unusual conditions as existed last year.

I hope to deal with the matter not too lengthily, and perhaps furnish some information to those who have not given as much attention to divorce matters as I have. Though it may not be a distinction to boast of, I know that, as Chairman of the Committee, I have sat on vastly more divorce cases, than any honourable gentleman who has preceded me in that capacity, although the position of Chairman has been occupied by very distinguished predecessors, among them the eminent jurist who now leads this side of the House, (Hon. W. B. Ross).

Parliament has not seen fit to pass a Divorce Bill. An attempt was made in the House of Commons, in 1875 by Mr. DeCosmos, but it was not pursued very far, and it ended in nothing. In 1879 Messrs. Jones and Davis, from the Maritimes, attempted to make some progress in the matter, but their efforts did not result in a Bill or in anything being done. Mr. Nickle introduced a Bill in the Commons, but it fell by the wayside before action.

The first concrete action on the part of Parliament was that taken on proposed legislation introduced by my distinguished leader on this side (Hon. W. B. Ross). That was in the form of two Bills introduced in 1920, known as Bill I and Bill J. Bill I was similar to the Bill with which this House is now asked to deal, but with one exception, as I pointed out on the first reading of the Bill, namely, that it is to apply only to the Province of Ontario. It deals only with the forum that shall hear a divorce application, in this case an Ontario court. Bill J, which in 1920, was introduced in this House and passed by a large majority, dealt with the law of divorce in very important particulars. These Bills went to the other House, but as they were private Bills they had the misfortune of losing their place on the Order Paper, and never got on it again, and nothing further was done in the matter.

Now, may I deal in a retrospection just for a moment? We are dealing with divorce, the British North America Act having given this Parliament jurisdiction in matters of marriage and divorce. In the early years of Parliament there were practically no divorce applications at all. Later on I shall submit to the House a list of applications dealt with in the various years. When divorce Bills were first introduced in this House they were treated like any other private Bills. The publication went to our Committee on Standing Orders, and the proof of service of the documents on the respondent was made at the Bar of the House. Then an appropriate Committee was struck—not the Standing Committee on Divorce, which did not exist at that time—and the honourable gentleman who moved the Bill in the House moved it as his own Bill, and it was referred to that Committee. Reports coming into the House from that Committee occupied a very considerable amount of attention at that time, and caused a very great deal of discussion. The continuance of such a course became obviously impossible, and it was necessary to create, as we did in 1888, standing rules on divorce, and we systematized the procedure which is in force to-day, with certain modifications and changes.

Now, I want to deal with the various Provinces of Canada in the very briefest way, and it will be seen that they did not stand on the same basis.

Nova Scotia had the Act of 1866, 29 Victoria, chapter 13, which established the Divorce Court, and the grounds on which divorce was granted at that time in that court were consanguinity, adultery, cruelty and impotence, and in application for divorce the status of both sexes was on an equality: that is, the woman had an equal right with the man.

Prince Edward Island had a Divorce Court, with procedure to deal with divorce, prior to Confederation. It was established by 5 William IV, chapter 10, 1835, giving power to the Lieutenant Governor and five members of the Council to grant divorce on grounds of consanguinity, adultery, or impotence. One divorce was granted in 1835, and another in 1913, according to the data that has been given to me.

New Brunswick had a Divorce Court prior to Confederation, by 31 George III, chapter 5, and the grounds of divorce were consanguinity, adultery and impotence.

I have thus dealt with the Maritimes, in each of which the wife and husband, as I verily believe, stood with virtually the same rights in applying for divorce, and on the same grounds. These are all before Confederation.

Then we come to Manitoba, Saskatchewan and Alberta. None of those provinces, until a very recent time, had the right of granting divorce. I practiced in Saskatchewan for a longer time than I wish to say, but I was of the opinion, as I must frankly say every other lawyer consulted in those matters was, that we had no right to grant divorce. However, a client more daring than others, and willing to take chances, brought the matter to court, and in Manitoba in 1917 there was the case of Walker vs. Walker, which went to our Supreme Court and then to the Privy Council, which held that under one of the Northwest Territories Acts the Province of Manitoba did possess the right to deal with divorce. Chapter 25 of the Northwest Territories Act of 1886 vested in Manitoba the same right to deal with divorce as was possessed in England on the 15th day of July, 1870.

Almost concurrently a case went also from the Province of Alberta—Broad vs. Broad. It also went to the Privy Council. The Province of Alberta had not been granting divorces up to that time, thinking that it had not jurisdiction, but in that case it was held that another of the Northwest Territories

Acts, that of 1888, had given to what later became the Provinces of Alberta and Saskatchewan, the English law relating to divorce. I am not going to tire the House by reading the sections of the Act.

Hon. Mr. BELCOURT: Might I ask my honourable friend to read that and the previous enactment? I cannot understand how the Western Provinces became vested with the power to deal with divorce.

Hon. Mr. WILLOUGHBY: Here is the Act of Manitoba, chapter 25 of 1886:

> Subject to the provisions of the next following section the laws of England relating to matters within the jurisdiction of the Parliament of Canada, as the same existed on the fifteenth day of July, one thousand eight hundred and seventy, were from the said day and are in force in the Province of Manitoba, in so far as the same are applicable to the said Province and in so far as the same have not been or are not hereafter repealed, altered, varied, modified or affected by any Act of the Parliament of the United Kingdom applicable to the said Province, or of the Parliament of Canada.

Hon. Mr. BELCOURT: That is an Imperial Act.

Hon. Mr. WILLOUGHBY: No, it is a Dominion enactment, and it declared that the law as applicable in England to divorce was likewise applicable to the Province of Manitoba.

Hon. Mr. BELCOURT: Was that previous to the creation of the Provinces?

Hon. Mr. WILLOUGHBY: No; these Acts of 1886 and 1888 are of course since Confederation.

Hon. Mr. BELCOURT: But they were previous to the Provinces being created as Provinces?

Hon. Mr. WILLOUGHBY: Oh, yes, they were Northwest Territories at that time. So that we now have in each of the prairie Provinces a law of divorce, and courts empowered to make procedure, which they have done, and to administer divorce law; but until we passed the Act of 1925 in the Parliament of Canada, placing wife and husband on an equality as to to the ground for a divorce, namely, adultery, there was a disparity between the rights in those prairie Provinces and the rights in the rest of Canada. Until the decisions of the Privy Council which announced that we had the Legislative power in Saskatchewan, Alberta and Manitoba Supreme Courts, we had no court at all. Then we got the courts with the limited power that existed in England on the 15th of July, 1870. That is, it was only the husband who at that time in England could get a divorce on the ground of adultery. That law was changed in virtue of our legislation of 1925, whereby the woman was put on a parity of rights with the husband, so that now all over Canada the equality of the sexes before the law is the same.

Now, we have practically not legislated at all on the subject of divorce. We dealt with matters relating to divorce on four occasions, but only once, so far as I can trace, was there any legislation that could be treated as peculiarly pertinent to divorce. We dealt with the cases of the deceased wife's sister and the brother of the deceased husband, because they offended otherwise within the degrees of consanguinity, and came under divorce law. We did something else, which did not relate to the right of divorce, but related to the proceedings of our Committee; we had the Criminal Code amended for the purpose of prohibiting the publication, without the consent of the Committee or Parliament, of information pertinent to divorce cases pending before the Committee. That legislation passed unanimously in this House in consequence of very sensational reports that were made in a rather important case from Montreal. We are one of the first British countries to pass such legislation. In England they attempted that when they brought in the draft Code first; I will deal with that a little later. The Committee that made the report on which the Divorce Act of England was passed had made recommendations, in the first place, in reference to the restriction and limiting of the right of publication of its proceedings, that recommendation, however, was never acted upon, so that in England, as you all know, very sensational accounts of current divorce proceedings frequently appeared in the press. We thought, rightly or wrongly—I think rightly—that a very strict limitation in that regard should be imposed. We believed that the public, with the exception of certain scandal-loving people that we are not catering to, were not interested, and as a result no news at all appears in the press in connection with the proceedings that take place before our Divorce Committee.

You will be interested, honourable gentlemen, in knowing what grounds for divorce existed under the English law as it was in 1870, which is the law that we are going to ask you to give to the Province of Ontario, except as it has since been modified. Prior to 1870 the grounds for divorce in Great Britain were: On the petition of the husband, adultery; on the petition of the wife, incestuous adultery, bigamy with adultery, rape, sodomy, bestiality, adultery coupled with such cruelty as without adultery would have entitled her to a divorce

—a mensa et thoro adultery coupled with desertion, without reasonable excuse, for two years or upwards.

The English law anticipated us by a very short time in putting men and women on an equality so far as divorce is concerned.

Then, in England there were absolute defences to a divorce action. They were: (1) disproof of the facts alleged in the petition; (2) connivance by the petitioner at the commission of adultery; (3) condonation; (4) collusion. Those defences are all recognized in our rules, and every petitioner for divorce must prove first, the fact of adultery; and then that there has been no connivance, condonation or collusion. Doubtless the same requirements will exist in the court in Ontario, if it should be established.

In England there were also certain defences under the Act which were left to the discretion of the court. They were: (1) the adultery of the petitioner; (2) unreasonable delay in presenting or prosecuting the petition; (3) cruelty to the other party to the marriage; (4) wilful desertion, or separation without reasonable cause or excuse by the other party before the adultery complained of was committed; (5) wilful neglect or misconduct, such as to have conduced to the adultery complained of. All those discretionary grounds are availed of by us in the Committee in dealing with the petitions that come before us, and they will pass into the law if this court is established for the Province of Ontario.

By Section 92 of the British North America Act, as honourable gentlemen will remember, the solemnization of marriages comes under the jurisdiction of the Provincial Legislatures; and under Section 91 the question of marriage and divorce comes within our powers Under Section 129 the courts that were then in existence, and the powers that were vested in the Provinces prior to Confederation, and dealing with divorce and other forms of legislation, were retained by the Provinces.

You will probably be interested, honourable gentlemen, in some figures which I have before me. I am going to ask permission to put some of them on record without reading them.

The divorces granted by the Parliament of Canada from 1867 to 1926, inclusive, by five year periods, are as follows:

From 1867 to 1871	2
From 1872 to 1876	2
From 1877 to 1881	7
From 1882 to 1886	7

Or from 1867 to 1886 a total of 18.

From 1887 to 1891	18
From 1892 to 1896	22
From 1897 to 1901	15
From 1902 to 1906	38
From 1907 to 1911	71
From 1912 to 1916	127
From 1917 to 1921	298
From 1922 to 1926	607

From this you will see that such divorces are increasing in an almost geometrical ratio. The total number of divorces granted by Parliament since Confederation, up to and including 1926, is 1,214, of which 638 were granted to husbands, and 576 to wives.

Then I have the figures by Provinces. The grand old Province of Ontario comes first with 1,002.

Hon. Mr. DANDURAND: The Banner Province.

Hon. Mr. WILLOUGHBY: Quebec, 136: Manitoba, 29; Saskatchewan, 14; Alberta, 21; British Columbia, 4; Prince Edward Island, 1; North West Territories, 7.

During 1919 the number of divorces granted by Parliament was 55. Since that year the number in each year has been:

1920	100
1921	111
1922	102
1923	117
1924	130
1925	134
1926	124

To the 1926 figures should be added 46 divorces which failed to actually become law owing to dissolution of Parliament, and which have since been renewed. The correct total for 1926 is therefore 170.

For the present Session of Parliament 221 notices of intention to apply to Parliament for divorce have been received.

Now I have some astonishing figures with regard to divorces granted in the United States to people who were married in Canada. In 1922 there were 1,368 divorce decrees granted by American courts to persons who were married in Canada.

Hon. Mr. BELCOURT: In one year?

Hon. Mr. WILLOUGHBY: In one year. That is about two-and-a-half times the total number of divorces granted in Canada in the same year. This number represents 36.2 per cent of the divorces granted in the United States to couples married in foreign countries, while the Canadian born population of the United States is only 8.1 per cent of the foreign population. In other words, the percentage of Canadians divorced in the United States is higher than the percentage of other foreign born persons.

Hon. Mr. DANDURAND: Where does the honourable gentlemen get his data as to Canadians?

Hon. Mr. WILLOUGHBY: That is from a statement published by our Statistical Department. Of the 1,368 divorces granted in 1922, 462 were granted by the courts of the State of Michigan, which is contiguous to Ontario; 135 were granted in the State of Washington, and 128 in the State of California.

In 1926, the number of divorces granted in Canada, by Provinces, is as follows:

British Columbia	167
Ontario	113
Alberta	154
Manitoba	85
Saskatchewan	48
Nova Scotia	19
New Brunswick	12
Quebec	10
Prince Edward Island	0

So far as I have been able to trace the records, with one exception, the Campbell case of 1876, this Parliament, has given no relief other than that of divorce—the absolute separation of the two parties. In that case, which was a very peculiar and most interesting one, the husband applied for divorce, and the wife counter-petitioned. The divorce was not granted to the husband, and under the decree the wife was allowed alimony and the custody of the children. The right of this Parliament to give alimony was questioned by Chief Justice Wilson, of Ontario, shortly afterwards, which raises a very nice question of what other relief than the actual divorce can be granted. To some it might seem that we have the right of granting alimony, but others take an opposite view; and those upon whom the duty of dealing with divorce has been cast have made no attempt to trench upon what might be regarded by some people as property and civil rights. Alimony can be granted in the Provinces by the courts; they have machinery for dealing with the custody of the children and property rights.

One of the very important benefits of giving the Province of Ontario the right of granting divorces would be that the court could administer all the rights and remedies at the same time in the one action. The court could deal with alimony, which we have refused to do, and with the custody of the children and property rights. The very moment that we attempt to deal with certain things, beyond all doubt our rights to do so will be questioned, as it has been questioned heretofore.

Hon. Mr. BELCOURT: May I ask if the courts have had to decide the question of ultra vires or intra vires of the granting of alimony by the Parliament of Canada? Has that question ever come before the courts?

Hon. Mr. WILLOUGHBY: I do not know that it ever came specifically before the courts, but as I say, Chief Justice Wilson at one time made an adverse comment—I speak from recollection—as to the power of Parliament to grant alimony.

Hon. Mr. BELCOURT: The question is not settled so far as Ontario is concerned.

Hon. Mr. WILLOUGHBY: I would not say it is settled. We have never given alimony, save as above, so it could be only hypothetically dealt mith. There mould be no object in the court pronouncing upon it.

In England, in 1909, a Royal Commission on Divorce was appointed, and in 1912 they made a most elaborate report. Sir Gorrell Barnes was at the head of the Commission, which represented every class of society, and included in its membership the Archbishop of York.

Hon. Mr. BELCOURT: Is that a Parliamentary report?

Hon. Mr. WILLOUGHBY: It was a Royal Commission created by Parliament, and certain people were named to make a report. The report came before Parliament. It has never been acted upon to the full. It contained many recommendations, including one that the two sexes should be put on an equal footing. As a matter of fact, that principle had been recommended in 1850. The report of the Commission, which was a majority report, recommended certain additional grounds for divorce: desertion for three years and upwards; cruelty; incurable insanity; habitual drunkenness, found incurable after two years from first order of confinement; imprisonment under commuted death sentence. The minority concurred with the majority as to certain grounds; unsound mind; epilepsy and recurrent insanity; venereal disease; when woman pregnant at time of marriage to a man, other than husband, ignorant of the fact; wilful refusal to consummate marriage.

If this Bill should be passed by this House, Ontario will have the law of England as it existed on the 15th day of July, 1870. This is the law which now prevails in the Provinces of Manitoba, Saskatchewan, and Alberta. All the other Provinces of Canada that had divorce courts before will still continue under their present law, modified by any law that we may pass relating to divorce. Parliament will still have to deal with cases from the Province of Quebec, to which the Bill is not intended to apply.

The English law of 1857 was amended on several occasions before the 15th of July, 1870, but I will not tire the House by reading those amendments and giving the chapters. It is sufficient to say that the amendments between 1857 and the 15th of July, 1870, did not go to the substance of divorce, but had to do mainly with ancillary matters such as the custody of children and other things of that kind.

I do not want to dwell unduly on this matter, or to tire honourable gentlemen, but I am extremely anxious that this Bill should be passed by Parliament. I am not going to complain that those who assume the burden of this work are likely to be overborne with the increasingly large number of divorces each year. There are members of this House present who have not been on the Committee, and there are others who have served on it for a long time. According to our intelligence and ability we have done the best we could, but the members of the Committee, after long experience, think that divorce is peculiarly a subject for the courts. The time of this Parliament should not be taken up with such matters. All the proceedings of the Committee have to be reported to the Senate, and have to pass through this House and through the House of Commons, and they congest our Order Paper, and still more the Order Paper of the Commons. There is higher work for Parliament to do than to have attention of a Committee or Committees devoted to questions of divorce; and if the petitions keep on increasing in numbers it will be necessary to have several Committees engaged.

As I have already said, we do not propose that the Bill should apply to the Province of Quebec. I realize and appreciate that there are strong objections on the part of a large body of people in that Province and in other parts of Canada, who believe marriage to be a sacrament and do not believe that it is within the purview of any court to dissolve it. However, there is a very large section of the people of Canada, a much larger section in fact, who believe in some law of divorce, and consider that if we are going to have a divorce law the courts are the proper places in which to administer it. There is in the Province of Quebec at the present time, as you know, a proceeding for the annulment of marriage. I have not dealt with annulment at all, but that is one of the matters which come under the law of divorce. The Province of Quebec have dealt with anulment by an Act of their Legislature governing cases in which the marriage was never legally consummated, for lack of power or consent, or for other reasons with which I will not deal.

Hon. Mr. BELCOURT: That is all regulated by the Code.

Hon. Mr. WILLOUGHBY: It is all regulated by the Code; but whether any other Province has a similar power, or to what extent it has that power is an extremely moot point. In the Province of Ontario it is a very debatable question and has been the subject of frequent controversy and of a diversity of judicial opinion in the courts. In fact, one of the authors dealing with the matter believes that the only case in which annulment could be declared in the Province of Ontario is the failure to comply with the Marriage Act, with its requirements merely about publication, infancy, consent of parents, and matters of that kind, not relating at all to the fundamental laws of divorce.

So, to return to what I was saying, and not to dwell further on the question of annulment, the proposal is that the Supreme Court of the Province of Ontario shall deal with divorce and shall have all the ancillary rights that flow from the granting of decrees of divorce, with regard to the custody of children, maintenance, alimony, and property, if necessary; and of course it would have ample rights as to annulment instead of merely a limited right, if right it be, to deal with marriage and what is provided for in the Marriage Act of Ontario.

Hon. Mr. BELCOURT: Will my honourable friend point out in what respect the Province would be able to exercise judicial authority, with regard to annulment, that it has not at present? Will this Bill confer on the Province any more jurisdiction than it has now to deal with annulment?

Hon. Mr. WILLOUGHBY: I think so. We in this Parliament have exercised the right of annulment, and I think that beyond the shadow of a doubt it is within our jurisdiction. We propose to confer on the Province of Ontario all the right that was conferred in England by the Matrimonial Act, so that the Province may have whatever right we now claim to exercise in regard to annulment.

It is obvious to every honourable member that the number of divorce applications coming to this Parliament is rapidly increasing. I will not start moralizing on this; as a practical legislator I accept it as a fact. We thought, in the years following the war—and the opinion was voiced in this House in the course of the discussion of the Bill introduced by my honourable leader (Hon. W. B. Ross)—that the war psychology would account for the

enormous increase in the number of divorce applications. I think it did account for that to some extent, but as a result of personal observation and of many inquiries I believe that the extent to which the war may be blamed for the applications at present before Parliament is very small. I do not feel competent to estimate the percentage, but I am quite satisfied that it is not high. Occasionally we have before us the case of a soldier, in which the separation of the parties may have conduced to the grounds for divorce; but such cases are steadily growing less, yet the applications are constantly increasing. After examining the statistics from other countries, I venture the prediction that instead of a diminution we shall have a continual increase in the number of divorces, in accordance with the increasing numbers in other countries. I do not moralize on this; I merely state a fact.

With the permission of the House, as I said at the outset, I intend handing to the reporters some more elaborate statistics on the subject of divorce, not only in Canada, but elsewhere:

I. Divorces granted in Canada 1913–1926

(Final Decrees)

Year	Ont.	Que.	Alta.	Sask.	Man.	Nova Scotia	New Brunswick	British Columbia	Total for Canada
1913	20	4	4	1	6	.....	4	20	60
1914	18	7	4	2	2	10	12	15	70
1915	10	3	3	1	1	13	6	16	53
1916	18	1	1	2	2	14	11	18	67
1917	10	4	2	1	.....	8	6	23	54
1918	10	2	2	1	.....	24	10	65	114
1919	49	4	36	3	88	36	13	147	376
1920	91	9	65	26	42	45	15	136	429
1921	101	9	84	50	122	41	13	128	548
1922	90	6	129	37	97	35	12	138	544
1923	105	11	87	41	81	22	19	139	505
1924	114	13	118	28	77	42	15	136	543
1925	121	13	101	42	79	30	15	150	551
1926	113	10	154	48	85	19	12	167	608

NOTE.—In Prince Edward Island, only one divorce was granted between 1868 and 1926; this was granted in 1913.

II. Divorces granted in Canada 1924–1926, by Provinces and Sex of Plaintiff

(Final Decrees)

Provinces	To Husbands			To Wives			Total		
	1924	1925	1926	1924	1925	1926	1924	1925	1926
Prince Edward Island	.....	.....	.....	.....	.....	.....	.....	.....	.....
Nova Scotia	20	13	6	22	17	13	42	30	19
New Brunswick	7	9	5	8	6	7	15	15	12
Quebec	5	4	2	8	9	8	13	13	10
Ontario	49	61	54	65	60	69	114	121	113
Manitoba	35	36	44	42	43	41	77	79	85
Saskatchewan	22	27	27	6	15	21	28	42	48
Alberta	65	58	79	53	43	75	118	101	154
British Columbia	62	71	75	74	79	92	136	150	167
Canada	265	279	292	278	272	316	543	551	608

Comparisons with other Countries

In Table 3 are added comparative figures of divorces and marriages in England and Wales, Australia, New Zealand and Canada for the years 1916 to 1923, 1924 or 1925. The percentage of divorces to marriages, taking place in the same year, as here given, is seen in the case of England and Wales to have increased during these years from 0.35 p.c. to 0.88 p.c.; in Australia from 1.53 p.c. to 3.25 p.c.; in New Zealand from 2.41 p.c. to 5.91 p.c. and in Canada from 0.1 p.c. to 0.9 p.c. Similar figures for the United States, where, of course, the total number of divorces is unusually large owing to the comparative ease with which they may be obtained, show increases from 27,919 in 1887 to 42,937 in 1896, 72,062 in 1906, 112,036 in 1916, 148,815 in 1922, 165,096 in 1923, 170,952 in 1924 and 175,495 in 1925. The percentage of divorces to marriages increased from 10.8 to 14.8 during the years 1916 to 1925, divorces alone during this period increasing by 56.7 p.c. (In 1924 divorces granted to women in United States constituted 68.5 p.c. of the total granted, as compared with 67.8 in 1923).

III. Number of Marriages and Divorces in England and Wales, Australia, New Zealand and Canada in recent years

Year	England and Wales		Australia		New Zealand		Canada	
	No. of Marriages	No. of Divorces	No. of Marriages	No. of Divorces	No. of Marriages	No. of Divorces	No. of Marriages	No. of Divorces
1916	279,846	990	40,289	617	8,213	198	65,000	[1] 67
1917	258,855	703	33,666	652	6,417	221	60,000	[1] 54
1918	287,163	1,111	33,141	697	6,227	203	55,000	[1]114
1919	369,411	1,654	40,540	891	9,519	337	70,000	[1]376
1920	379,658	3,090	51,552	1,069	12,175	471	80,931	429
1921	320,852	3,522	46,869	1,405	10,635	513	69,732	548
1922	299,524	2,588	44,731	1,270	9,556	523	64,420	544
1923	292,408	2,667	44,541	1,448	10,070	524	66,463	505
1924	296,416	2,286	45,869	.....	10,259	530	65,129	543
1925	295,689	2,605	46,899	.....	10,419	612	64,644	551
1926	.....	.....	.....	.....	.....	.....	.....	608

[1] Estimated.

With all the force that I command I invite your co-operation in the discussion and the passage of this Bill. In 1920 you were good enough to pass a similar Bill introduced by my honourable leader, by 37 to 7, and you passed the contentious Bill by a large majority. The necessity of new legislation in this matter has grown enormously since that time, and it is my opinion that if the number of divorces keep on increasing at the present rate we shall be wholly unable in the course of three or four years more to deal with them in this Parliament. In any Session of Parliament hereafter we are liable to meet with the same condition as is occurring in this one, namely, that a number of cases must, beyond peradventure, go over to another Session. There will be fifty left over this year, and a similar situation may occur at any time. If the Government were defeated during the progress of the Session, all the divorce applications would go by the board. Nobody knows for certain at what time Parliament will convene or at what time it will prorogue. It is not in keeping with the dignity of the highest Legislature in the land that we should be doing work that could be done better somewhere else. We have here vastly more important work to which to devote our attention than the question of divorce. I therefore bespeak the most favourable consideration of this Bill by the Senate.

Hon. W. B. ROSS: Honourable gentlemen, I would like to say a few words in favour of this proposal, chiefly because I am entirely in sympathy with it on its merits, and secondly because on a former occasion I had the honour of moving in this House for the adoption of a similar Bill.

Without going over the ground which my honourable friend (Hon. Mr. Willoughby) has covered so well, I desire to refer to just two points. The first is that this Bill does not enlarge the law of divorce. It is absolutely essential for the honourable members of this House to understand that fact. We are not giving any more reasons for divorce than exist at the present time. The fear on the part of the public that the means of divorce are being enlarged and divorce is being made easier under this law is not justified. This Bill will not provide a single ground that does not exist to-day.

But there is another aspect of the matter which is very important, and its importance is understood only by those who have been interested in the hearing of divorces. In this Parliament, when a petition for divorce is heard and granted, the matter is ended. In the English Court that is not so: all that is done is to grant what is called a decree nisi; that is to say, a divorce on the condition that nothing happens within six months to show that there should not be a divorce.

In my own experience in this House I have known of a case in which, if there had been any machinery for a decree nisi, the divorce granted by the Parliament of Canada would never have been approved. It is a curious thing that a great many people are inclined to hold their tongues when a trial is in progress, but after the trial is over they begin to talk. That is not peculiar to divorce cases, but applies also to cases of other kinds. Now, if the Supreme Court of Canada is given power to hear divorce cases, I am satisfied that there will be cases in which, though a decree nisi may be granted in the first instance, the divorce will be stopped in the long run. This, to my mind, is the great

gain you will derive from transferring the jurisdiction from Parliament to the Supreme Court of Ontario.

There is one other ground, but it is not so important, though it has some merits, and that is that the machinery of the Supreme Court is more flexible than that of Parliament. It provides for the examining of witnesses under commission, or outside of the jurisdiction. All that sort of procedure is very much more simplified in the Supreme Court of any of the provinces than in a Committee of Parliament.

There is just one other word that I wish to say about this matter. I hope that honourable gentlemen, if they are interested in it, will look back to what I had to say with regard to the Province of Quebec when I introduced a similar Bill some years ago. I saw at once, upon looking into the subject, that the Province of Quebec had to be left out. That Province has a judicature that is founded upon the old Roman law and is comprised in what is called the Code Civil. It is really a system of jurisprudence that has been worked out by mankind for perhaps nearly 2,000 years.

Hon. Mr. BELCOURT: It is of much more recent origin.

Hon. Mr. ROSS: There is provision for a family council, for instance. It is a wonderful system. I was counting up the sections in the Civil Code of the Province of Quebec, and I think there are about 253 that you would have to tear all to pieces if you were going to introduce a Divorce Bill for that Province. The jurisprudence of Quebec has been, as I say, founded upon the old Roman jurisprudence, modified of course by Christianity. Then we have in England the Common Law system, an equitable system which borrows more or less from the same source as the system in the Province of Quebec. I refer to this because I think it is important to understand that this Parliament is not in any way trying to interfere with the Province of Quebec on this question of divorce. We are simply putting Ontario on the same footing with Nova Scotia, New Brunswick, British Columbia, Alberta, Manitoba and Saskatchewan.

Hon. F. L. BEIQUE: Honourable gentlemen, the honourable member from Moose Jaw (Hon. Mr. Willoughby) has given very interesting figures, and for my part I would suggest that he try to supplement them by giving also the figures for the last five or ten years—I would prefer to have the figures for ten years—of the divorces granted by each Province.

Hon. Mr. WILLOUGHBY: Those figures are in the tables and will be printed.

Hon. Mr. BEIQUE: I did not understand that. Now, under the rules and doctrine of the Church to which I belong, I am not permitted to vote for a Bill of Divorce of any kind, and I have no intention of violating any rule of my Church; but I must say that if it were not the rule of my Church I would gladly support the Bill. I think that for several reasons that have been mentioned by honourable gentlemen, it would be an improvement, and there is this additional reason, that divorce in this country, as in other countries, will become, I fear, a menace to society, and if the matter is left to the courts of each Province they will be more amenable to the leading men in the Province, who will consider what modification should be made and whether the rules should not be more strict than they are. I think that if divorce courts must exist it is much better that they should be the ordinary courts in each Province rather than this Parliament.

Hon. G. H. BARNARD: Honourable gentlemen, as a member of what I think may now fairly be called the hardest worked Committee of this House, I wish to say a few words in support of the motion before us. The honourable gentleman from Moose Jaw (Hon. Mr. Willoughby) has dealt with the question so fully that there is really very little necessity to discuss the matter at length. Like the honourable gentleman, I appreciate that there is a large section of the country opposed on principle to divorce. That view I respect. At the same time I would ask those who hold that view to consider for a moment this point. The Bill is not creating any new right; it is merely a transference of jurisdiction from this Parliament to the courts of the Province of Ontario, the Province from which the great majority of cases come. It is perfectly fair to say that owing to the practice that in the course of years has grown up in this Parliament, of granting divorces, it is regarded by the general public as being the law of the land that any petitioner who comes before the Senate, or before the Divorce Committee, and proves a certain state of facts, shall as a natural consequence obtain a decree of divorce. I think that is not overstating the matter; and, if it is a fair statement, I say it is obvious that all that is being done is merely the transference of jurisdiction, and nothing more.

Many good reasons, which I do not wish to labour, were given by my honourable friend in support of this Bill, and in favour of the idea that the Provincial courts would be able

to deal with questions of this kind far more satisfactorily than any Committee of Parliament or House of Parliament.

In the first place, there is the cumbersome procedure, and the expense to litigants. Time after time we have had applications before the Divorce Committee for a refund of fees in the five or six years when I have served upon the Committee. Invariably we inquire, in those cases, into the financial circumstances of the petitioner, and also as to how much money has been paid for legal expenses. In many cases we have found that sums largely out of proportion to the professional services rendered have been exacted from litigants. We are powerless to tax costs, and there is no supervising officer to do that in divorce litigation, so the parties are left absolutely in the hands of their professional advisers.

Another reason of importance for this Bill, which I think was not mentioned, is that time and time again the same divorce case has come up on practically the same set of facts, with possibly some new evidence. That is to say, a petitioner comes in with the case improperly prepared; he does not call all the witnesses that might have been brought; the case is dismissed, the petition refused, and at the next Session of Parliament the same case comes again on precisely the same state of facts, the only difference being that the petitioner may have an additional witness, but the charges and incidents are the same, and the question is only one of proof. There was one notorious case that came up three times, and I think I am right in stating that in a case last Session it was only on the third application that the divorce was granted. Now, that state of affairs could not obtain in a court, where an action, once tried, would be dismissed, and until there were new grounds for divorce a second application would not be entertained.

Another matter that ought to be considered with reference to this question is the significance of the figures which were given by the honourable gentleman from Moose Jaw (Hon. Mr. Willoughby), showing the number of Canadian applications for divorce which are made and granted in the United States. It is a well settled law, if I am not mistaken, that any person going from Canada to the United States without the intention of changing domicile, but merely for the purpose of obtaining a divorce, is guilty of bigamy upon returning to Canada and marrying again. Not only that, but any children of that second bigamous marriage would be illegitimate, and have no civil rights. Surely that is an undesirable state of affairs. If this jurisdiction to deal with divorce cases were transferred to the courts I venture to say there would be fewer cases of Canadians going to the United States to get divorces.

I am heartily in support of this Bill. I consider that it is almost grotesque to see the Senators, the wise men of Canada, sitting here day after day and hour after hour, going through purely formal motions such as second readings and third readings of Bills and reports, and sending them down to the House of Commons, where they are never even looked at. For these reasons I intend to vote for the Bill.

Hon. Mr. HUGHES: Is there any record of those persons who go to the United States and get divorces, and come back and live here under bigamous relationships? Are there any statistics as to the number of such persons?

Hon. Mr. BARNARD: The honourable gentleman who introduced the Bill gave the figures of those who go over; I do not know whether he has the figures of those who come back, but I think many of us can recall numbers of cases of such people—and those people not in any particularly humble walk of life, either. I know of several such cases myself.

Right Hon. GEORGE P. GRAHAM: Honourable gentlemen, I would not care to give a silent vote on this question, for I am absolutely opposed to divorce. To my mind marriage is more than a civil contract, consequently I do not think any civil authority has a right to separate men and women who have been properly and legally married. I look upon this Bill as having the effect of making divorce easier, while I would make divorce harder to get. I have great sympathy with the Divorce Committee, but instead of transferring their work to a court where, to my mind, it will be easier to secure a divorce, I would make it more difficult to get a divorce in Canada, whether through the Senate or otherwise.

It has been truly said that a great many of our people go to the United States to get divorces; but transferring the jurisdiction to the courts will not make any difference in that respect, for those people go to the United States, not because of the difficulty in getting a divorce here, but rather to secure it in a more secret way in some of the courts there, so that it is not made so public to their neighbours. My impression is that a divorce in the United States annuling a marriage in Canada is not legal in this country. I may be wrong, but I have always held that no

United States court has jurisdiction to annul a Canadian marriage, and there is therefore no annulment, so far as we in this country are concerned. Ninety per cent of those who go to the United States do not go with the intention of permanently residing there, but rather to comply with the law in the particular State to which they go, which requires them to reside there for so many months or years, and as soon as the divorce is obtained they cease to be residents of that particular State.

Perhaps I am wrong in the suggestion that the reasons for divorce as stated in any Bill or statute, or by any petitioner, are more in the way of excuses for divorce rather than reasons. Why do I say that? Because I think that if honourable gentlemen have watched the result of divorces, and what happens after divorce is granted, they will agree that from 80 to 90 per cent of the divorces were obtained so that one of the parties might marry someone else, and the main consideration in asking for the divorce was not because of some transgression of the marriage vow.

For these reasons I am opposed to divorce on any grounds. We make adultery the cause for divorce; but while it is bad and cruel to compel people to live together because one of them has committed adultery, I think it is more cruel to compel them to live together if one of them is abusive, so far as the cruelty is concerned.

I take the ground very strongly, from conviction, that we should not endeavour to make divorce easier in this country, but rather that we should make it more difficult, so that when people are contemplating marriage they will think of the seriousness of the step, and not find themselves in Canada in approximately the same position they would be in if they lived in certain States of the American Union—in a position to have the marriage tie dissolved very speedily if it became inconvenient or irksome.

It may be questioned whether I am correct in suggesting that this Bill does make divorce easier. Well, the honourable gentleman who introduced this Bill pointed out that the court would have jurisdiction to grant alimony, and also decide as to the location of the children, and all that kind of thing. This would make it easier for the parties to get together and arrange matters quietly, for it is hard to prove collusion; all the parties have to do is to deny collusion. Consequently, the handing of this matter over to the courts will make it easier for people to have the marriage tie dissolved if they so wish, because financial settlements can be made through the courts, as well as arrangements for the custody of children.

Perhaps I have said enough to indicate my position; but I want to repeat that I am against divorce, and I would make it more difficult instead of easier to secure. My honourable friend from Victoria (Hon. Mr. Barnard) pointed out that if the jurisdiction were transferred to the courts, a divorce would not cost so much, and thus it would be easier on the litigants, and the machinery would not be so cumbersome. That is just one of the reasons, to my mind, why divorce matters should not go to the court. If I have to vote alone I shall record my vote as against this Bill, and would vote for a Bill that would make it much more difficult in this country to get a divorce.

I do not believe in compelling people to live together who find they have made a mistake, but to my mind it is not a proper thing that all society should be disrupted and a new process of marrying should take place, because people have found that they have made a mistake. I would give the courts jurisdiction to grant separations on terms, but I certainly would make it as difficult as possible for any person to have the marriage tie dissolved.

For these reasons I must vote against this Bill.

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

CONSIDERATION IN COMMITTEE DISPENSED WITH

Hon. Mr. MULHOLLAND moved that the Senate go into Committee on the Bill.

Hon. W. B. ROSS: Do you want to go into Committee?

Hon. Mr. DANDURAND: I am asking nothing.

Hon. Mr. WILLOUGHBY: Although that is the order, to go into Committee of the Whole, there is nothing but the one section, and there is nothing to amend in that. We have either to accept or reject it, and we have accepted it.

The Hon. the SPEAKER: It is the pleasure of the House that the Committee stage at this time be dispensed with?

Some Hon. SENATORS: Dispense.

THIRD READING

Hon. Mr. WILLOUGHBY moved the third reading of the Bill.

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

JUDGES BILL

MOTION FOR SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 139, an Act to amend the Judges Act.

He said: Honourable gentlemen, there are three Bills which relate to the same subject, which are on the Order Paper; Bill 139, the one that has just been called; Bill 140, which relates to an amendment to the Exchequer Court Act, and Bill 141, an Act to amend the Supreme Court Act. I intend to explain these three Bills at one and the same time. Of course they will have to be taken up separately.

The purpose of this Bill is two-fold. Bill 139 allows of the enlarging of the Supreme Court from six to seven judges. From the day of foundation of this court in 1874 we have had a Chief Justice and five Puisne judges. We now suggest that there be a Chief Justice and six Puisne judges instead of five.:

The other enactment is the limitation of the age of the judges, and their retirement when they reach 75 years. It applies to the present judges as well as to those who shall be appointed in future. Honourable gentlemen realize that the highest tribunal in the country must be maintained in the best state of efficiency. Since 1874 the business has increased considerably in volume and in importance, and it goes on increasing from year to year.

Although geographical conditions have not been constantly adhered to in the appointment of judges, there has been a general tradition to appoint one judge from the Maritime Provinces, two from the Province of Quebec, two from Ontario, and one from British Columbia. The younger Provinces, on the Prairies, have not been given a Judge, so far as I remember, upon that bench; and that is quite explainable when one remembers that although Manitoba came into Confederation into 1870, Alberta and Saskatchewan were constituted as separate Provinces only in 1905.

When I say that geography has not played a role by law, but simply by tradition, I should make an exception in the case of Quebec, which, under the statute creating the court, was given two Judges. The reason for that was that the system of law of that Province was so totally different from that of the other Provinces that it was deemed judicious to declare that it should have two Judges upon the Supreme Court bench.

It stands to reason, if we have given a Judge to the Maritime Provinces, two to the Province of Quebec, two to the Province of Ontario, and one to the Province of British Columbia, that the new position upon the Supreme Court bench should allow for the appointment of a representative of the Prairie Provinces.

Hon. Mr. BEIQUE: If I am not mistaken, at one time there were six Judges.

Hon. Mr. DANDURAND: There have always been six Judges: one Chief Justice, and five puisne Judges. Now it is suggested that one more Judge should be appointed, which would make seven.

Hon. Mr. BEAUBIEN: The Bill says six.

Hon. Mr. DANDURAND: Six puisne Judges, and one Chief Justice.

It is realized that it is somewhat difficult to secure the attendance of five Judges out of the six at the sittings of that court. Because of illness, or other reasons, which are somewhat numerous, of late years there has hardly been a session of the court when another Judge has not had to be appointed. This is rather unsatisfactory. The situation causes considerable delay in the hearing of the cases, and lawyers from afar who come to Ottawa only to find that the court cannot be properly constituted, and that they must await the appointment of another Judge. It has also been pointed out that when a litigant takes the trouble to come to the Supreme Court of Canada in order to obtain a final judgment, he is entitled to have the Supreme Court properly constituted of Supreme Court Judges, and not of Judges from the Superior Courts of the Provinces; and the representations received by the Department of Justice have prompted that Department to ask Parliament to increase the number of Judges to seven. The Supreme Court of Australia ever since the constitution of that Commonwealth has consisted of seven judges.

The Department of Justice has submitted to Parliament an enactment by which Judges shall be retired at the age of 75. This is for reasons of efficiency. It is felt that the Judges should be in a position to do their full duty, and it is realized that it is somewhat difficult to persuade a Judge who is losing his strength that the time has arrived for him to withdraw, or that he is not as capable as he

was. An incident took place some years ago in the City of Quebec which will illustrate what I mean. A judge who was hovering around 75 years of age asked a junior judge whom he admired very much to kindly let him know when he thought the senior Judge was weakening. After a few years the junior Judge thought the time had come to notify his senior, and he did so, and from that moment he completely lost his friendship.

With these explanations, I move the second reading of the Bill.

Hon. W. B. ROSS: Honourable gentlemen, I have paid special attention to these three Bills. They all deal with a subject which is not at all new to me, and as far as I understand them, I am quite in accord with them all. I understand, however, that some honourable gentlemen on this side of the House do not see as I do, and would like to speak. But as it is now ten minutes after five, and as we have a meeting to attend, I would like to ask the indulgence of the honourable gentleman opposite so that we may adjourn.

Hon. Mr. DANDURAND: My honourable friend need not ask my consent to do this.

Hon. W. B. ROSS: If the honourable gentleman will agree, I should like to move the adjournment of the House.

Hon. Mr. WILLOUGHBY: The House or the debate?

Hon. W. B. ROSS: I would like to move the adjournment of the House, not of the debate.

Hon. Mr. DANDURAND: But we have some more Bills on the Order Paper.

Hon. W. B. ROSS: They are all right. We will put them through fast to-morrow. The legislation is very good this year.

The Hon. the SPEAKER: If the honourable gentleman's motion were to carry, it would kill the Bill.

Hon. W. B. ROSS: Then I will move the adjournment of the debate.

The debate was adjourned.

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

THE SENATE

Thursday, March 31, 1927.

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

Prayers and routine proceedings.

THE ROYAL ASSENT

The Hon. the SPEAKER informed the Senate that he had received a communication from the Deputy Assistant Secretary to the Governor General, acquainting him that the Right Honourable F. A. Anglin, acting as Deputy of the Governor General, would proceed to the Senate Chamber to-day at 5.30 p.m., for the purpose of giving the Royal Assent to certain Bills.

PAN-AMERICAN UNION AND INSTITUTE OF PACIFIC RELATIONS

INQUIRY

Right Hon. Sir GEORGE E. FOSTER: May I ask my honourable friend if he has any trace of the papers for which I asked a little while ago, with reference to the Pan-American Council and the Deputation to the Pacific Institute?

Hon. Mr. DANDURAND: I did ask for information on those two matters. I am glad my right honourable friend has drawn my attention to the fact that no answer has yet been received. I will again apply for an answer.

CUSTOMS INQUIRY COMMISSION

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. Who are the persons who constitute the Royal Commission engaged in investigating matters relating to Customs and Excise?
2. What other positions, if any, do they respectively hold in the public service of the country; and what is the salary or allowance of each one?
3. Are they receiving or to be paid any additional allowances or remuneration as Commissioners; and if so, how much?
4. Are the places of investigation and the periods of investigation wholly in the discretion of and subject to the will of the Commissioners? If not, who will decide when investigation should stop?
5. Who are the lawyers engaged with the Commission, and how much is each one being paid as remuneration and allowances?

Hon. Mr. DANDURAND: 1. The Honourable James Thomas Brown, Chief Justice of the Court of King's Bench, Saskatchewan, Chairman.

The Honourable William Henry Wright, a justice of the Supreme Court of Ontario.

The Honourable Ernest Roy, Puisne Judge of the Superior Court of the Province of Quebec.

2. Honourable James Thomas Brown; Chief Justice of the Court of King's Bench of Saskatchewan: salary, $10,000.

Honourable William Henry Wright; Justice of the Supreme Court of Ontario: salary, $9,000.

Honourable Ernest Roy; Puisne Judge of the Superior Court of Quebec: salary, $9,000.

3. No information.

4. No information.

5. Honourable N. W. Rowell, $200 a day and $20 a day living allowance.

R. L. Calder, $100 a day and $15 a day living allowance.

R. B. Law, $200 a week and $15 a day living allowance.

Gordon Lindsay, $200 a week and $15 a day living allowance.

JUDGES BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Dandurand for the second reading of Bill 139, an Act to amend the Judges Act.

Hon. W. B. ROSS: I have examined this and the following two Bills, which are not new to me. So far as I am concerned, I am entirely in sympathy with them.

Hon. Mr. DANDURAND: These Bills are complementary to each other. It is represented to me that it would be very helpful in the reorganization of the Court if they were to be sanctioned this afternoon. As I uiderstand my honourable friend opposite has no objection, I would suggest that we give them the second and third readings.

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

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

EXCHEQUER COURT BILL

SECOND READING

Bill 140, an Act to amend the Exchequer Court Act.—Hon. Mr. Dandurand.

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

SUPREME COURT BILL

SECOND READING

Bill 141, an Act to amend the Supreme Court Act.—Hon. Mr. Dandurand.

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

PRIVATE BILL

FIRST READING

Bill V6, an Act to incorporate the Commerce Mutual Fire Insurance Company.—Hon. Mr. Beaubien.

THE LEAGUE OF NATIONS

INQUIRY AND DISCUSSION

Right Hon. Sir GEORGE E. FOSTER rose in accordance with the following notice:

That he will call the attention of the Senate to the work of the League of Nations for 1926 and invite discussion of the advisability of the Government's adherence to section 36 of the Protocol of signature of the Permanent Court of International Justice.

He said: Honourable gentlemen, in calling your attention to the subject matter of this inquiry, I do not propose to trouble the Senate with very many details. The League of Nations has now been in operation for seven years, and furnishes a very good opportunity for making a contrast between the Assembly and Council of 1920 and the Assembly and Council of 1926, and of noting the broad lines of difference brought out by the contrast.

The first conclusion which may be drawn, and to which, I think, we will all agree, is that in that time and in the process of events between those years there has come about a very great modification of the old system of conducting international affairs. I might go even further than that and say that not only has there been a great modification, but that under the inspiration and aegis of the League there has been an almost entire substitution of new methods for the old methods.

Let us for a moment look at the lines upon which international affairs were conducted before the late war. In the first place, we note that the communications between the Powers were carried on, in the main, through official channels which were cold and dehumanized, so to speak. One chancellery set itself down in one country to declare its stand, and to fortify that stand by all the arguments and precedents which it could bring to bear, in an atmosphere as void as possible of any insistence upon or influence of the views of the country with which they were communicating. In that way the human element was very largely taken away from the correspondence; and when a document from one Power was received by the chancellery

of a second Power, it was the duty of the officials of that chancellery to make a rebuttal as strong and as well supported as possible, again without any influence from the intermingling of the human element or of the opinions or thought or conditions of the Power with which communication was being carried on. In brief, you had two stands taken, concentrated, consolidated and buttressed. They were known not only to the high officials of each Power, but to a very large number of prominent men in each country, and maybe, to a certain extent, to the public itself; so that it became a position advanced and fortified by each nation, and therefore very difficult of modification or compromise.

Hon. Mr. DANDURAND: A point d'honneur.

Right Hon. Sir GEORGE E. FOSTER: Oui. In a word, the conclusions preceded the conference. So if the pourparlers eventuated either one way or the other, the officials of each side met each other with a predetermined disposition to uphold the honour of their own country and to make no concessions. Now, if I have made that clear, that was one of the principal methods by which international commuuications were carried on and international affairs administered.

In the second place, there was what is called the balance of power. Take Europe, for instance. The aim was to keep peace in Europe; or if peace could not be kept, to initiate an impulse which should be carried on when war took place. That was done by what was called the balance of power. That is, certain great Powers in Europe, by intrigue and by secret correspondence and secret agreements, came to a certain conclusion with regard to another group of Powers, and said: "We must watch those Powers. We do not know what they are doing, but we are convinced that they are not colloguing together in our interest. Let us draw our lines close together and be prepared to meet them at any point, whatever may result."

Now note, that those Great Powers, before the war, numbered probably some six, or seven at most, but in the world at large there were some sixty different Powers. The balance of power therefore, was a piece of machinery which was operated by at most seven great Powers, and the small nations of the world were absolutely shut out from any part in the councils of the great powers, and in a word, were simply the pawns. Whatever may have resulted, or whatever might result from the divers interests of those two groups of Powers, the smaller nations were at their mercy. Their interests might be vitally affected in some way, but they themselves had no part or lot in the matter of the predisposition of the case. That was a distinguishing feature of the prewar relations between the different nations. One thing that occurred amongst the great Powers was, first, suspicion. Then jealousies arose from these suspicions, and the warlike spirit which led to the adaptation of groups of nations to assist and support each other. In that again the smaller Powers had nothing whatever to say; therefore there was government by an autocracy composed of the majority of the seven great nations, and in such government there was no democratic co-operation with, or no part or lot taken by, the mass of the Powers of the world which were smaller in area and lesser in power.

Before the war, under that system, there was no international forum, and no constituted international executive which was operative and efficient, and which could summon a conference of the nations on short notice with any assurance that the conference would take place. We all remember the statement which was made by the then Secretary for Foreign Affairs of Great Britain, and which has been repeated over and over again. Oddly enough, and the fact is singularly striking, that statement was uttered again almost as a complete echo by Mr. Streseman at the Assembly of 1926. The British Minister of Foreign Affairs said that if we had had a League of Nations, with its machinery and its executive and the powers possessed by that executive the probabilities are that we would have had no great world war in 1914. Years afterward Mr. Stresemann made exactly the same statement that, after having reviewed, and become a part of the machinery of the League of Nations, and after having seen its work to a certain extent, he was of the opinion that if there had been machinery like that for international business in 1914 the war might easily have been averted. These, then, are the main characteristics or features of the system before the formation of the League of Nations.

Now, let us take the system as it is at present, after the League of Nations has been in operation for seven years. It is surely not too much to say that a great modification has taken place in the method of conducting international affairs; and perhaps it is not too much to say that a new system has practically superseded the old system. What are the contrasts? The men who represent the great nations to-day, before asserting their positions and laying down their claims, and buttressing and fortifying them by arguments

and precedents, meet together, man to man, and take into consideration their own difficulties and the difficulties between themselves and their neighbours, and they examine and discuss them and learn how their interests are intertwined; and after that thorough examination, in which there is the human element of man facing man, and man's mind countering man's mind, they come to certain conclusions, which follow the conference instead of preceding it. That is the great difference between the two methods, and anyone can see in a moment what an essentially vital change it is in the manner and method of conducting international affairs.

Then, again, under the present system, of the 63 states or powers in the world, it is no longer a question of management and control and absolute direction by 7 or 5 great powers, but 56 powers have this advantage of mutual conference and conversation with one other. They meet together; the whole system is, as it were, democratized, and the influence of each has a chance to exert itself. Sometimes it is said: "Well, that does not amount to much; what influence, for instance, would Holland or a South American state have in the disposition of affairs when the great powers are still the great powers?" But from my own personal observation and experience I have a ready answer to that question, or critical statement. Over and over I have seen a small power, taking a correct position which was defended by a man of strength, ability and character, which exerted as much influence in the Council and Assembly of the League as would one of the great powers. It is altogether wrong for us to conclude that the small powers, because they have not big armies and navies, have therefore very little influence in this forum of the nations which meets from time to time at Geneva.

The great advantage we have gained is that we now have a world forum where an Executive of 14, coming from 56 nations, meets six times a year and each time, spends together about a week, making at least 30 or more days in which those 14 men, the choice spokesmen of the great powers, and the representatives of the whole 56 nations, meet face to face in conference and conversation hour by hour and day by day for 30 days of the year. Besides that, you have 160 of the leading men of 56 nations of the world who meet together once each year, and spend on an average 30 days together in this same coöperative and mutual work of examining and coming to conclusions in reference to the difficulties of the nations, and finding how they shall best be met and overcome. Furthermore, the days of secret agreements are over. All treaties and agreements must be deposited with the League and published. Since 1920 some 1,300 have been so deposited

The few statements I have made in reference to this part of the subject sustain my assertion that in the seven years of the League's existence, such good results have been brought about, entirely due, as I think it must be admitted, to the different principle embodied in the Covenant of the League and the work of the League under that Covenant. Secondly, during those seven years, I think it can be stated confidently, we have made progress from simple ideas and wishes and desires to the incarnation of those ideals into concrete and organized activities.

I count myself particularly fortunate in having been able, in the succession of political events, after having taken some part in the Conference at Paris, to have been the Chairman of the delegation which represented Canada in the first Assembly of the League in 1920, and also to have been permitted last year the great privilege of again being the Chairman of the Canadian delegation in the Assembly of 1926. I thus had the opportunity of contrasting, from personal observation and experience, the Assembly of 1920 with that of 1926. The difference was a most striking one, and it was as encouraging as it was striking.

In 1920 the whole stock-in-trade of the League of Nations was its ideals, its desires and its wishes, all more or less optimistic. It had no achievements behind it, no basis of comparison of what it might be expected to do as compared with what had been attempted at any other age in the world's history by any such body under similar circumstances—and the circumstances, of course, must be taken into account. It had no organization, no plans, nothing at all of a concrete or concentrated nature. Everything that it might do was in the future; nothing lay in the past which could serve, as a foundation for possible good work. Like every such great movement, it had the whole course of experience of the centuries against it as to its methods, for it was an entire reversal of the international engine. Instead of proceeding along the line of policy of the preceding six thousand years as to the conduct of international relationships, the League proposed to turn squarely around, and traverse the line in a diametrically opposite direction. Hence it encountered all the scepticism, prejudice, and opposition which a new movement must face in its progress from one set of ideals to another and better set.

So when we come to 1926 and take up the situation in the Assembly of the League of Nations, we are signally struck with the great change that has taken place. The Assembly

was then in the seventh year of its existence, and all of its procedure, methods of work and paraphernalia, both inside and outside, had settled down into permanence and strength. Our first Assembly was uncertain, hesitating in every step on moving out into a future whose seas were absolutely uncharted. The Assembly that met in 1926 took up its work in the confidence of past achievement and in the strength and efficiency of a well-organized agency for carrying on the work for which it was constituted.

We had a Council which had passed some forty Sessions of its work in the six preceding years, and was entering into its forty-second Council meeting since 1920; with the experience of seven years behind it, with achievements of seven years accounted to its credit, and consequently with the confidence which promotes efficiency, which was entirely absent in 1920.

Then, we had a Secretariat in 1926 of some 400 trained experts, most of whom had for seven years been engaged constantly in arduous and uniform work upon the problems of the League. That experience of seven years in those great activities of the League gave efficiency, power and confidence as well as good working ability to the Secretariat.

Then, we had what was a mere ideal in 1920—a World Court which should be composed of judges representing all systems of jurisprudence, who should be above reproach as to capability and character, and who should take into consideration questions of a legal and constitutional nature as they were referred to them. That Supreme Court had been established and had gone into active work. It had commenced to hear cases, and had given some 20 decisions, advisory and otherwise, which impinged on every great power with the exception of one, and which equally impinged upon a multitude of smaller powers, and in no case had a single decision of that Court been treated otherwise than with acceptance and obedience. That is something to the credit of a court. That was its position in 1926, whereas in 1920 it existed in men's minds only as a wish and a prayer which had been uttered for ages, but had never before been answered.

When Secretary Hughes at Washington, backing President Harding at that time, and President Coolidge later, made representations to the Senate of the United States that they should be allowed to apply for entrance to the World Court, when he prepared for the Senate the letter of recommendation upon which the Presidents based their application, he took occasion to say that, as far as the personnel and capacity of that court were concerned, it stood equal to any in the wide world; and it was on that basis that the United States Senate consented to pass a resolution to allow application to be made, with reservations. So that there is that achievement in 1926 which was but a wish or prayer in 1920.

Besides these, we had a system of arbitrations and conciliation to the credit of the League of Nations, which in 1920 were only wishes and hopes. Arbitration for disputes between nations is the very kernel of the whole question, the central idea; and until such arbitration, as a system for settling disputes between nations, is made the imperative and absolute rule, we are not out of danger of war. In 1920 that idea of arbitration was met by the sceptic saying: "Oh, man is a fighting animal; he always has fought; he always will fight, and aggregations of men and nations will follow the same rule; arbitration is all very well as a pious wish, but as a practical means of settling disputes between nations it is not in the line of probabilities or even possibilities."

But come down six years, to 1926, and what do we find? In 1924 those 55 nations of the world, after five years of thought and examination and study, came to the high conclusion in the Protocol that arbitration must be had and that until it was had the League of Nations could not perform its full work; and they hoisted the flag to the mast-head, and nailed it there by the unanimous support of those 55 nations.

Now, sometimes we have principles which we may all acknowledge as right, but have practices which fall short of them; and, considering the weakness of human nature in the individual or the aggregate, we must not be discouraged because the individual practice does not come up to the principle which we all acknowledge to be true. In 1926 the Protocol's high aim was not embodied in a practical Act, but something had been gained. Great Britain said: "The Protocol is right in principle and theory, but it involves too great a burden upon Great Britain, who has the fleet of the world, and whose Dominions are found throughout the whole world, on every sea. It involves too much of a burden for us to undertake and to support, and to become obliged to carry out to the full extent of our power that beautiful and noble sentiment embodied in the Protocol—that no nation shall go to war with any other for any reason whatever, but that all shall arbitrate their differences." The very moment that statement was made by the British Chancellor, that very moment the counter question came

to him from 48 or 50 nations of the world: "Very well, Mr. Chamberlain, if you and the British power cannot fall in with this, give us your substitute, for we must do something. We are a League of Nations on a new adventure, on a quest for the peace of the world. It will not do for you simply to say, 'This cannot be carried out.' You must present your alternative." And, without going into many words over it, the alternative came. The principle of the Protocol remained triumphant, but the area of its application was limited. And what have you in the Locarno Pacts? You have France and Belgium and Germany, three of the most interested powers in Western Europe, sitting down together around a common table and agreeing that no question, whether of honour or of small practical moment, can hereafter arise between those nations which they will not submit to arbitration, instead of going to war upon it. Behind those three nations you have Great Britain and Italy as guarantors of that pledge, to see to it that the pledge, once given, is carried out, and to use their utmost of power and influence against the one that violates that pact and in defence of those who do not violate it, but seek to carry it out. And you have as one good influence, adopted and having sway in one nation—for one permeates others—you have directly consequent upon that, in the Locarno Agreements, Czecho-Slovokia and Poland making a contract with Germany, and Germany with those two other nations, that they also shall follow that rule, and that any questions of dispute which hereafter may arise between them and which they cannot themselves settle diplomatically, they will submit first to conciliation boards, and if those do not bring the issue to a favourable conclusion, then to arbitration, but that they shall not go to war with reference to their disputes. Therefore, I say that, though we have not the full realization yet, we have a splendid step towards that realization; and what can be done by powers as great as Germany, France, Czecho-Slovakia and Poland, can be done by any other powers anywhere else in the wide world, when once the sentiment of the people, who pay all the costs of war and give all the blood that is shed in war, shall have made it apparent to these nations that that must be the course to be adopted in the future.

So when I say that these ideals have been gradually incorporated into incarnated methods —into practical organized methods, and that great progress has been made, I say what I think no member of this Chamber will contradict.

I always feel, when I am thinking about this subject, or when I am in Geneva attending one of these Assembles: "Oh, what a pity that the whole of the Legislature of Canada could not be in these galleries and watch for just thirty days the work which is going on under the League of Nations!" I have in my mind a notable example. Dr. Nicholas Murray Butler is one of the most distinguished educationalists and publicists of this continent. There was a time when Dr. Butler had no good word to say for the League. But he has an inquiring mind, and on most subjects an open mind. There is one subject on which his mind is not perhaps so open, but I will not bring that to the front this time. But Dr. Nicholas Murray Butler, being in Europe, said to himself: "I will go down to Geneva and I will go through those offices and see what they are really doing there. I will take a peep in at the League of Nations Assembly and see how they carry on their business." He did so. He spent about ten days there altogether, and immediately gave to the New York Times an interview which, in a few words, amounted to this. "The organization and its work are the most perfect that I have yet seen." From that time to this, Dr. Nicholas Murray Butler has been a good friend and supporter of the principles and aims of the League of Nations. The Senators sitting on these benches, and the men who sit upon the benches in the House of Commons, have minds equally quick and equally open; and if they could once see just what is being done, and how it is accomplished, there would be on this Hill in Ottawa a legion of men who would be asking the Government questions to-day as to why certain things were not being done. I will come to that a little later.

Now, what are these activities that the League of Nations is carrying on? I can give you merely an outline of them. It would take hours to give you the inside details. Before I begin to enumerate particulars, may I say that the League of Nations, being an association of nations of the world, aims to combine all the best energies of all the nations upon certain great activities which not only are vital to the nations individually, but have international consequence vital to the world of nations. So it is its aim and object to concentrate the best and strongest, the most expert and most experienced talents, in all these lines in all countries and focus them in a united, co-operative effort to combat these evils, whichever they are, that they are fighting in every quarter of the world, and to march upon them with the greatest prospect of success and the greatest means of efficiency.

First, then, the League of Nations is operating what is called the Health Organization. There was a health organization before the League of Nations came into force. It was a result of a conference in 1907, attended by the representatives of a large number of the nations of the world, and it found expression in what was called "L'Office International d'Hygiène Publique." That was carrying on when the League of Nations, in the matter of world health, undertook to correlate all the energies of the different nations. The League was met by that organization with a refusal, the reason being that the United States was a part of the organization and just at that time felt itself impelled to say: "We refuse, in respect to any organization in which we are interested, to have it amalgamated with the League of Nations' efforts along the same line." So the League of Nations had to draw back and go around by another way. But the League of Nations is pretty wise in its day and generation. It did draw back, but it drew back only to advance, and within two years that organization and the other organizations called together by the League were co-operating in the utmost harmony, and they continue to do so to this day; and still the United States is a part of that organization of which I have just spoken.

That health organization does a wonderful amount of research work. It has now its branches and its sources of research in every part of the world. It is in the East, where epidemics and violent diseases have their incubation haunts. It is in South Africa, looking after sleeping sickness and malaria. It is in all quarters of the world, combining scientific and medical expert knowledge in a march against world diseases as a whole. And what a splendid example in one instance! When out of Russia loomed that danger to Europe, if not to a wider world, of the advancing force of an epidemic which, if it once got its hold upon the vitals of Europe, would ravage every part of it and probably be extended to every other quarter of the world, the health organization put up its $2,000,000 fight along that line of territory. It sent there its watchdogs and its guard of experts, and its material and equipment for fighting the disease, and stopped it there, and kept that plague from spreading throughout the rest of Europe.

How did the organization get its $2,000,000 in order to carry on that fight? It was because in that great organization fifty nations of the world were combined. That organization, supplying the men-at-arms and the equipment, went to its Governments and got contributions from this and that and the other, which, added to private contributions, made up a fund of $2,000,000 for the purpose of stopping that great inroad upon humanity.

Hon. Mr. CASGRAIN: What was that disease?

Right Hon. Sir GEORGE E. FOSTER: It was the epidemic of Typhus which always follows malnutrition and war and famine conditions and is carried as a plague, with great facility, into all adjoining countries. The League has carried out that work.

It is also carrying on an economic and financial commission. That commission has had two world conferences and has succeeded in making a Convention which the world powers are all carrying out. All you have to do is to think of what has happened in Austria, in Hungary, in Greece, and to the refugees from Russia. Everyone knows—in a moment it makes itself apparent to you—that under certain conditions in Europe, if one country fell to pieces financially and was rushed into economic chaos, it would have a very bad effect on the surrounding countries. That economic commission put into operation a certain kind of work and got public moneys, by loans on the strength of its efficiency and the confidence that these nations had in it, and it has resuscitated Austria and Hungary, and has sent back largely to their homes, or has put into occupations, tens of thousands of Russian refugees. When a million and a quarter Greeks and peoples affiliated with Greece were chased out of Asia Minor by the Turks, and were thrown in an immense mass of utter destitution and want and suffering on the islands and shores of Greece, this economic commission, under the direction of the League, raised moneys and within two years has put three-quarters of that million and a quarter into occupations and upon the land, in Greece and Asia Minor, and is now perfecting the work by restoring the rest of those refugees.

The confidence that is felt in the League of Nations is shown in this way. The Bank of England, for instance, is a pretty wise old concern, and it does not generally distribute advances without having good security. When these refugees were being thrown back and Greece was utterly unable to take care of them, and no other nation could or would put its hand to the plough, so to speak, the League of Nations said: "We will propose a plan, and we will direct the arrangements, if the Greek Government will come in with us." The plan was proposed, and the Greek

Government came in, but the money was not there, and it was needed at once, for men, women and children were dying in thousands or were in absolute want. They went to the Bank of England. The Bank of England, on the mere confidence that it had in the League's plans, gave it one million pounds, and when that was used up it gave another million in advance, or two millions in all. That loan was available until the proper time came, when the international markets could be asked to contribute to a loan. They have now done so, and the enterprise is consequently placed upon a strong financial basis.

There is the Commission of Transit and Communications. It has held two conferences and had several Conventions. The name explains the object it has in view, and it has done most excellent work.

There is the Commission on Opium and Noxious Drugs, which is an inheritance from the old Shanghai Convention of 1909, I think, down through the Hague Conventions, and which has now been assumed by the League of Nations. Suffice it to say, with reference to that, that fifty nations of the world have signed a Convention and entered into certain arrangements and agreements for co-operative action in every part of the world to stamp out one of the greatest possible menaces to civilization, the opium and drug traffic, which cannot be fought at all successfully by individual nations, but must be attacked at its sources from every part of the world. The sources of goods which have been sold illegitimately in Montreal have been traced away back to Asia, from there through European countries, and back again to an Asiatic country, from which they have been shipped to Montreal. The Canadian Government alone cannot cope with that. It must be dealt with by the united effort of the nations of the world.

Right Hon. Mr. GRAHAM: The United States joins in that work, does it not?

Right Hon. Sir GEORGE E. FOSTER: The ideal of the United States, which is not opposed to the ideal of Europe, is this, that you must make this opium business illegal except for medicinal and scientific purposes, and that you must make it illegal immediately. Against that there is the practical difficulty. So, while the United States' theory is the theory of the European and Asiatic countries, it demands what the European and Asiatic countries think is impracticable to bring about all at once. The conference made a Convention which has been signed by almost all the countries of the world, and by which they are securing a gradual diminution, from year to year, so that after, say, fifteen years the cultivation and manufacture of the poppy for certain purposes shall be outlawed and eliminated. Of course, the disturbed conditions in China have thrown the whole thing awry, because there is no government there, and consequently there can be no accordant action in that country, which is the great opium growing country of the world. The United States is working with the League in achieving the ultimate aim of all.

Then they have a commission for the protection of women and children. They have had one international conference, and have agreed on a convention which has been signed by 45 or 50 countries of the world, and which is being carried out. Another takes up obscene literature, and treats it in a similar manner. An Anti-Slavery Convention, which has just been perfected this last year, is to get rid of the slavery which still exists in this world of ours, largely in the way of forced labour among the natives of backward countries. It was a revelation to the world, and to the Assembly itself, to learn the extent to which this traffic still exists. Consequently this convention has been agreed to and signed. You have just read in the papers, probably, of a small British force in India which was going to Burma for the purpose of eliminating slavery, which still exists there, and whose members lost their lives in the operation, as Britishers have so often lost their lives in carrying out great projects for the betterment of humanity and the diminution of its ills and sufferings.

Then there is the traffic in arms. In that connection there have been two conferences, and one convention has been signed. Another conference is due either this month or next month. The United States Government is taking part in these conferences.

Then there are the questions of disarmament, of economic relations, of the repatriation and settlement of refugees and war captives, of intellectual coöperation, international disaster relief, and the codification of international law. These make up altogether fourteen great world activities which are being carried on under the direction and through the inspiration of the League of Nations. By working upon the desire of people for personal benefit, upon the sympathies of nations to coöperate for the relief of those ills which are common to all, and to bring about a greater measure of comfort and happiness, they are exerting a force for the ultimate peace of the world and creating a sentiment against war.

Then you have the administrative work of the League. There is the Saar District, where

750,000 Germans are being governed by a Commission of the League, upon which Canada has always had a representative who has taken a very prominent part, and which, taking into account all the differences and all the difficulties, has been eminently successful. Last year the turning point of their success was reached, probably, when France, which in contradiction to the Treaty of Versailles had kept about 6,000 soldiers in the Saar River District and lent them to the Commission without any charge, doing it on the two grounds of effectiveness and cheapness, withdrew her forces. For all these years this grievance has been rankling in the hearts of the German people of that district. Now that matter has been finally settled. The soldiers are no longer kept there, but a guard of 800, which is not French, but a mixed body, looks after the protection of railway property, while the gendarmerie looks after general order. In that way the grievance of the people of the Saar Valley has been removed.

Then you have a like administration in Danzig, which is a smaller country, but where the difficulties are quite as great because of an overflowing German population and an overmastering Polish influence seeking to have its wishes carried out. It has been difficult, but the work has been successfully done.

Then you have mandate supervision and the protection of minorities, both of which are most important questions, but which are gradually being solved by Commissions under the auspices of the League.

Now, I have taken up all the time that I ought to take on this branch of my subject, but there are two or three other things that I must mention. The high light, so to speak, of the 1926 Assembly and Council was the entry of Germany into the League of Nations. That entry of Germany into the League of Nations had been dramatically brought before the League Powers, and before the world, by what took place in March 1926, when the application failed because of the veto put upon it by the representative of Brazil—or probably I should say by the representative of League of Nations Assembly from Brazil. Because things went awry at the March Assembly, when everybody was filled up with the idea that they would not go awry, there was a lurking feeling that something might go awry in the September Assembly as well. Consequently, interest was very keen and excitement ran high. But in the end, by the unanimous assent of the League Members in Assembly and Council, Germany entered and became a part of the League of Nations.

That one sentence shows in a moment what a great change has taken place in the League since 1920. At that time Germany was outside the League. Then there was active hatred—suspicion between France and Germany, between Belgium and Germany, as well as between some of the other Powers and Germany. I remember sitting in the first Assembly when Mr. Motta argued from the platform in favour of bringing in Germany, and when in the middle of his argument M. Viviani, who was seated away down the hall, rose with his face aglow and with indignation pictured on his countenance thundered out the words, "I demand to be heard." The demand was noted down, but the hearing had to follow in regular course. Before he could be heard, Mr. Motta had finished and M. Viviani had had time to think over what he had better say, and when he mounted the rostrum shortly afterwards he made his points with singular brilliance and clearness and force, but without uttering a single word that would give offence to anybody.

That is one of the peculiarities of the League of Nations. You cannot pop up and pitch into your opponent on the spur of the moment; you have a chance for second thought; you have to walk up the long aisle and mount the platform and face the representatives of the world and the newspapers of the world. When you are confronted with that you stop to consider whether you have anything sufficiently important to say to justify you in making the venture, and meanwhile you have had time to cool off and keep a rein upon what you say so that it shall be in the interest of the whole.

Here in 1926 were seated near each other the German delegate, Mr. Stresemann, and the representative of France, M. Briand, who had been antagonists in a bloody and hateful war, now pledging their faith and their loyal co-operation in the working out of the aims of peace, and endeavouring to stamp out the spirit of war.

That is only one incident. But the meaning of that expands and grows when you realize that now you have practically all the anti-allied Powers, with the exception of Turkey, working for peace and sitting round the common board and mingling their counsels together in co-operative effort.

The other point I think I ought to mention is this: that a vexed question was for the time being settled. That vexed question was the constitution of the Council of the League of Nations. Should the Council consist only of the Great Powers? Should it consist of representatives which were all elected by the Assembly, or should there be some to represent the Great Powers permanently and some

elected from time to time to represent the the Assembly? That question has been going and coming every since the League was formed in 1920. It came to a climax in March 1926 when, under the constitution of the Council, a representative of the Assembly persisted in vetoing the entrance of Germany in the face of unanimous opinion of the Assembly itself. There was the whole Assembly saying, "Yes, Germany should come in;" yet a representative elected by itself said, "No, Germany shall not come in," and the one was overpowering the many. That sort of thing could not be allowed to happen again, so after a Committee had done its work, and after full examination and long conferences, the Council was changed, and from that time on is to consist of one permanent representative for each Great Power and nine non-permanent three-year representatives elected by the Assembly; and to prevent a recurrence of the March episode, the Assembly reserved to itself the power to recall all its representatives at any time it chooses, and to re-elect others in their places. That makes it impossible for the will of a united Assembly to be contravened by the contumacy or the devotion to principle of one single representative from that Assembly.

Then again there were the reservations of the Senate of the United States. But as you have had put on the Table here to-day the report of the delegates to the Seventh Assembly, in which you will find a complete representation of what took place and of the result of the Conference in that respect, I need not take up your time.

Now, honourable gentlemen, I come for a very few moments to touch upon the second part of my address to you this afternoon, and that is to ask the question: why is it that Canada as a nation and a Member of the League has not availed itself of its privilege and has not performed its full obligation in adhering to the Permanent Court of International Justice? Or, to go a little further, why has she not adopted the principle of arbitration?

This is somewhat important, because we are all members of a Legislature which has within its power the direction of affairs in the Dominion of Canada. I want to make that a little clearer. Here is the Covenant of the League of Nations. It says in the preamble:

> The high contracting parties agree to this Covenant of the League of Nations in order to promote international coöperation and to achieve international peace and security.

And how? First:

> By the acceptance of obligations not to resort to war.

That is the very first thing that meets the eye; that is the very first thing that met the eye of Canada when she signed that document. As a nation, with national status, she signed it, and as a nation she took on that obligation and as a nation she has not carried out that obligation. The question I ask this afternoon is: Why not? And what are the reasons? Are there sufficient reasons? If there are, we ought to know them.

Hon. Mr. DANDURAND: I do not understand upon what argument or fact my right honourable friend bases his affirmation that Canada has not carried out that obligation.

Right Hon. Sir GEORGE E. FOSTER: Perhaps my honourable friend will allow me to lay down my premises; then I will make my argument a little later.

The first premise is that that is an obligation which it has undertaken, and which is expressed in the preamble to the constitution. The next is in article VIII:

> The Members of the League recognize that the maintenance of peace requires the reduction of national armaments to the lowest point consistent with national safety and the enforcement by common action of international obligations.

That is the second premise that I lay down. From that I will deduce the argument a little later. Then Article XIII:

> The Members of the League agree that whenever any dispute shall arise between them which they recognize to be suitable for submission to arbitration, and which cannot be satisfactorily settled by diplomacy, they will submit the whole subject matter to arbitration.

Those are the principal ones:

Then—in order that I may clear this part of the ground—there is the Protocol of Signatures of the permanent Court of International Justice. That court as constituted has not compulsory powers. Such powers were recommended by the Root Committee, but it was not considered possible at that time to organize on that basis, which was thought to be too drastic. Therefore, if Great Britain has a dispute with Japan, Great Britain cannot go before the court and cite Japan to that court to answer as to why she has not done so and so. Both of those powers must agree to put the question before the court, and then the court takes the case, and its decision must be obeyed. But there is Article XXXVI in the Protocol of Signature:

> The Members of the League of Nations and the States mentioned in the Annex to the

Covenant may, either when signing or ratifying the protocol to which the present Statute is adjoined, or at a later moment, declare that they recognize as compulsory, ipso facto and without special agreement, in relation to any other Member or State accepting the same obligation, the jurisdiction of the Court in all or any of the classes of legal disputes concerning:

(a) The interpretation of a Treaty.

(b) Any question of International Law.

(c) The existence of any fact which, if established, would constitute a breach of an international obligation.

(d) The nature or extent of the reparation to be made for the breach of an international obligation.

These are what are technically called justiciable cases, I understand. Any power may sign that Protocol subject to Article XXXVI, and when it does so it acknowledges, ipso facto, the compulsory jurisdiction of the court in respect to any power which has also signed that 36th section.

Up to date, 27 powers have signed that Article of the Protocol, and are subject to the compulsory jurisdiction of the court in justiciable cases. Canada's name does not appear in that list. The great powers fought shy of that, but last year France came to the point and signed that Protocol. She does not propose to ratify it, I think, until it has been signed by some other of the great powers, but her action shows her adhesion to the principle, and her willingness to put herself under that principle if the other great powers will also do so.

There are men high in authority in the British political and legal world who say that there are some questions which no nation can afford to place before the court for decision. When the United States was going through her long arguments as to arbitration, which resulted in her making some 30 or 40 distinct treaties of arbitration, there arose this question of honour, and in some cases it was kept out. So I have heard people say that there are these questions of moment and honour, but I have never yet had a satisfactory statement of what kind of questions would justify a country in refusing the services of the court, and would prefer to submit them to the arbitrament of war. For my own part, I cannot think of any question of possible dispute that might arise between countries which would be worth taking the risk of a world war, rather than placing such disputes before a court of justice constituted as this one is or before an arbitration. My honourable friend will probably give me an answer to the question, and if there is a good answer I will not be unreasonable, but I would greatly like to know the reasons why Canada has put herself in this position before the world. I met this question at Geneva, and I meet it whenever representatives of the League of Nations are seen: why is Canada against having justiciable disputes settled by the court? Why is Canada opposed to arbitration?—because it has been stated by the British authorities that the overseas Dominions, or at least some of them, were not in favour of adopting the method of arbitration or of sending their disputes to the court of the League of Nations.

Now, I have laid down these premises; I have asked my question; my argument seems to be clear enough, that there is an obligation upon Canada to justify her refusal or else to send those justiciable, and perhaps all questions, either to arbitration or to that court which has been established by the League of which Canada forms a part. What are the alternatives? It seems to me that this is a sheltered zone in which Canada should immediately place herself.

Here we are on this American continent, with no one to the north of us except the cold silence of a northern zone; no present enemy; and I think no possible enemy; and there is no other to the southern boundary than the people of the United States. Does Canada propose to put herself on a footing where, if a dispute arose between herself and the United States, she would prefer to settle it by war, and could hope to go to war with a sufficiency of equipment and of men to make the outcome a possibly favourable one? That is not to be thought of for a moment. Canada is not in a position of doing that to-day, and she will not be a hundred years from now. Then would not Canada be wise to put herself within the sheltered zone of an arbitration treaty with the United States—which I think might easily be made—that hereafter all disputes between Canada and the United States shall be settled by the world court or by arbitration? The United States is in favour of arbitration; that is her record.

With regard to other possible enemies, who are they? Across the blue waters of the Pacific, Japan and China sometimes appeal. Has Canada the remotest idea that she will go to war, and go to the cost and the trouble of preparing armaments by air, by land, by sea, which will enable her to compel a settlement by Japan or by China? Would she not be in a better position by having an arbitration treaty with Japan, and thereby both countries would be under the aegis of the League of Nations, compelled to take their differences to arbitration or to that court?

And, with respect to all other nations in Europe and South America where possible

differences may arise, there is only one way in which Canada can settle them—by conference, or by force if conference is refused, unless she chooses the path of arbitration or the world court. She cannot go to war with European nations, nor with South American nations, nor would public sentiment allow her to do it; nor would she ever be in a position, either on sea or land or air, to make a successful fight against the great powers in any part of the world.

So that my argument is, for self-interest and for the sake of security, why not put the justiciable disputes into the hands of the court? And why not go still further, and put all disputes that are liable to arise with other nations, on the ground of conciliation and arbitration, or in the World Court.

Hon. W. B. ROSS: Is the honourable leader of the Government going to speak on this question, and, if so, will that close the discussion?

Hon. Mr. DANDURAND: It would.

Hon. W. B. ROSS: I would like to speak for a few minutes, but I would prefer to move the adjournment of the debate until to-morrow.

The debate was adjourned.

RAILWAY BELT WATER BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill N6, an Act to amend the Railway Belt Water Act.

He said: Honourable gentlemen, the following explanation of this Bill has been furnished by the Department of the Interior:

The purposes of this bill are as follows:

1. To suspend, subject to the discretion of the Governor in Council, the existing power of the Minister of the Interior to modify or render null and void water licenses issued by the province in respect to which protests have been filed by occupants of Dominion lands or officials of the Dominion Government.

2. To restore the rights of riparian owners to the use of water for domestic purposes to the position in which they stood under the Railway Belt Water Act as amended in 1913, substantially in conformity with the rights of riparian owners as recognized in the provincial Water Act of 1924.

Section 2. The section to be suspended reads as follows:

11. The Comptroller of Water Rights shall supply the Minister with certified copies of all applications, notices, permits, certificates, licenses, protests hereinafter mentioned or other documents received or issued under the provisions of the Water Acts affecting lands or waters in the Railway Belt, within one month of the date of the receipt or issue of the same; and no water privilege, license or right to the use of water within the Railway Belt granted under the authority of the Water Acts, in connection with which a protest has been made in writing to the Comptroller of Water Rights, within three months from the date of the posting and filing of the notice of application, by any homesteader, lessee or other lawful occupier of lands of the Crown belonging to Canada or by any administrative officer of the Dominion, shall be valid and effective unless, and until the same shall have been approved by the Minister, subject to such terms and conditions as the Minister may prescribe.

Section 3. The section to be repealed reads as follows:

12. Notwithstanding any provision of any of the Water Acts, no privilege, license or right to the use of water shall be granted where the proposed use of the water would deprive any riparian proprietor adjoining the river, stream, lake or other source of supply of whatever water he requires for domestic purposes.

With these explanations I will move the second reading of the Bill. If there are any questions honourable gentlemen desire to ask in regard to the Bill, they may do so now, or on the Committee stage.

Hon. W. B. ROSS: Should we not send it to the Committee?

Hon. Mr. DANDURAND: Yes, we will refer it to the Standing Committee on Railways, Telegraphs and Harbours.

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

FOOD AND DRUGS BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 105, an Act to amend the Food and Drugs Act, 1920.

He said: With the repeal of the Adulteration Act in 1920, the Food and Drugs Act was passed in order, primarily, that the purchasing consumers in Canada might be protected from injury to health as well as from fraud arising from the sale of adulterated foods and adulterated drugs. It has also served as a corrective measure where infractions have been found and has done much to prevent unfair competition in business.

In the course of six years' experience in the administration of this Act, the officers of the Department of Health have found it by no means free from defects and it is desirable that it be so amended that its usefulness may be increased.

I will not go through the various clauses that are amended. Explanations will naturally be given at the Committee stage.

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

PRIVATE BILL

THIRD READING

Bill R2, an Act respecting Dominion Electric Protection Company.—Hon. G. G. Foster.

CANADIAN NATIONAL STEAMSHIPS BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 142, an Act respecting the Canadian National Steamships and to provide for the establishment of West Indies Service.

He said: Honourable gentlemen are aware of the West Indies Trade Agreement, which came before us for examination and endorsation last Session and was agreed to by this Chamber. Honourable members of the Senate may remember that that agreement provided for a special service of steamers between a Canadian port of the St. Lawrence, or on the Atlantic, and the West Indies. The object of the present Bill is to create a new corporation such as the Canadian Government Merchant Marine. The idea is that that corporation should be exclusively devoted to the administration of this service to the West Indies. No private interest is introduced into this corporation. It will function by the side of the Canadian Government Merchant Marine and will be under the guidance of the Canadian National Railways, and answerable, naturally, to Parliament.

Besides that corporation there may be a number of companies formed, each for the purpose of holding one of the steamers of the fleet, as has been done in the case of the Canadian Government Merchant Marine.

The agreement calls for special types of ships, to be operated quite apart from the general operation of the Canadian Government Merchant Marine. There is in the Bill a provision whereby ships may be transferred from the Canadian Government Merchant Marine to the service of this proposed corporation. A price will be fixed and bonds will be exchanged, but this will be only for the purposes of bookkeeping. One of the principal reasons why the service should be kept apart from the general operation of the Canadian Government Merchant Marine is that the various colonies of the West Indies are contributing by a subsidy to the maintenance of this particular steamship line, and it will be necessary to have a system of bookkeeping which will show the cost of this service absolutely separate from the cost of operation of other steamers by the Canadian Government Merchant Marine.

We have in the past paid a subsidy for this service, as all honourable members are aware. An effort has been made to obtain tenders for the service, but they have been found unsatisfactory and the Government has decided that it should have ships built specially and operated by this corporation. There is a question of refrigeration; there are obligations under the Bill with regard to the tonnage capacity of those steamers, and there are various other conditions which will have to be reckoned with in the building of the new ships.

Hon. Mr. ROBERTSON: May I inquire of my honourable friend whether or not the other parties to the Trade Treaty, the Governments of the West Indies, which the steamship line is intended to serve, have had any hand in the arrangement for the construction or purchase of these ships? Or does the Treaty provide that Canada shall furnish the transportation facilities? I am not clear on the terms of the Treaty.

Hon. Mr. DANDURAND: I have not the exact text of the agreement before me, but my recollection is clear that it is Canada that furnishes the service.

Right Hon. Sir GEORGE E. FOSTER: Yes, that is right.

Hon. Mr. ROBERTSON: And at present Canada is subsidizing a certain steamship service with the West Indies. Are we to expect that that will continue to run in competition with the ships owned by the country?

Hon. Mr. DANDURAND: Oh, no. The stipulations of the agreement will be carried out by these new ships that will be put in service.

Hon. Mr. ROBERTSON: And the subsidies will be discontinued?

Hon. Mr. DANDURAND: Yes, they will be.

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

Right Hon. Sir GEORGE E. FOSTER: If my honourable friend wishes to facilitate the passage of the Bill, he may do so.

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

He said: It may be of some advantage to have the Bill sanctioned this afternoon. I therefore move that we dispense with the Committee stage, and that the Bill be now read a third time.

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

CROWN DEBTS BILL

THIRD READING

Bill 122, an Act respecting certain debts due the Crown.—Hon. Mr. Dandurand.

The Senate adjourned during pleasure.

THE ROYAL ASSENT

The Right Honourable F. A. Anglin, the Deputy of the Governor General, having come and being seated at the foot of the Throne, the House of Commons having been summoned, and being come with their Speaker, the Right Honourable the Deputy of the Governor General was pleased to give the Royal Assent to the following Bills:

An Act for the relief of of Alice Victoria McGibbon.

An Act for the relief of John Jones.

An Act for the relief of Samuel Paveling.

An Act for the relief of Benjamin Rapp.

An Act for the relief of Bernard Thomas Graham.

An Act for the relief of Robert Edward Greig.

An Act for the relief of Daisie Hawkey.

An Act for the relief of Olive Mary Mead.

An Act for the relief of Alice Elizabeth Blakely.

An Act for the relief of Ethel Maud Hargraft.

An Act for the relief of Frédéric Vinet.

An Act for the relief of Gwendolen McLachlin.

An Act for the relief of Jessie Evis.

An Act for the relief of Max Gertler.

An Act for the relief of Florence May Hicks.

An Act for the relief of Ruth May Harrington.

An Act for the relief of Edith Maude Bull.

An Act for the relief of Joseph Bernard Hoodless.

An Act for the relief of Edward Barker.

An Act for the relief of Joan Henderson.

An Act for the relief of Vina Kennedy (otherwise known as Vina Dorothy Kennedy).

An Act for the relief of Aimée Glenholme Young.

An Act for the relief of Alberta Lutz.

An Act for the relief of George Frederick Adams.

An Act for the relief of Edward Saville.

An Act for the relief of Robert Fisher.

An Act for the relief of Dorothy Terry.

An Act for the relief of Lillie May Brown Nichols.

An Act for the relief of Hazel Pearle Clarke Pearcy.

An Act for the relief of Edith Swartz.

An Act for the relief of James Gibb Erskine.

An Act for the relief of Ernest Johnson.

An Act for the relief of Maxime Demers.

An Act for the relief of Ethel Clementina Craig-Williams.

An Act for the relief of Ida Lula Dupuis Murchison.

An Act for the relief of Gladys Andrea Boyle.

An Act for the relief of Leslie Ellis Noble.

An Act to provide for special control by the Superintendent General of Indian Affairs of certain islands in the St. Lawrence river being part of the St. Regis Indian reservation.

An Act to incorporate The Detroit and Windsor Subway Company.

An Act to incorporate Columbia Life Assurance Company.

An Act respecting The Quebec, Montreal and Southern Railway Company.

An Act respecting The Alberta Railway and Irrigation Company.

An Act respecting the Canadian Pacific Railway Company.

An Act respecting The Manitoba and North Western Railway Company of Canada.

An Act respecting The Department of National Revenue.

An Act respecting the Canadian National Railways, and to provide for the refunding of certain maturing financial obligations.

An Act to amend The Special War Revenue Act, 1915.

An Act to amend The Income War Tax Act, 1917.

An Act respecting the Ottawa Electric Company.

An Act respecting the Ottawa Gas Company.

An Act respecting La Compagnie du chemin de fer de Colonisation du Nord.

An Act respecting The Essex Terminal Railway Company.

An Act respecting The Canadian Transit Company.

An Act respecting Old Age Pensions.

An Act to repeal The War Charities Act, 1917.

An Act to amend the Indian Act.

An Act to amend The Canada Evidence Act as respects Bank Books and Records.

An Act for the relief of Amy Humphrey Lowe.

An Act for the relief of Erick Herman Delling.

An Act for the relief of Samuel Stanley McNeely.

An Act for the relief of Edna May Stevens.

An Act for the relief of Beatrice Maude Cammell.

An Act for the relief of Stanley Moorhouse.

An Act for the relief of Blanche Evelyn Parkinson.

An Act for the relief of Lillian Franklin Boddy.

An Act for the relief of Minna Louise Bryant.

An Act for the relief of John Thomas Fray.

An Act for the relief of Cornelia Mosca Cristoforetti.

An Act for the relief of Florence Emaline Hind.

An Act for the relief of Dorothy Helen Elliott.

An Act for the relief of Myrtle Blanche Weeks.

An Act for the relief of Dorothy Olinda Tew Phillips Lawson.

An Act for the relief of Nelson Douglas Longfield.

An Act for the relief of Susanah Ivy Y. Cave.

An Act for the relief of James Arthur McNish.

An Act for the relief of Elizabeth Maud Maitland.

An Act for the relief of Agnes Seeds.

An Act for the relief of James Sharkey.

An Act for the relief of Lawrence Raymond Sinclair, otherwise known as Lawrence Reginald Sinclair.

An Act for the relief of Ruby Pearl Northam.

An Act for the relief of Leila Beecher Smith Kerman.

An Act respecting the Construction of Canadian National Railway Lines between St. Félicien and Mistassini River and between Hebertville and Savanne Falls, both in the Province of Quebec.

An Act respecting the Construction of a Canadian National Railway Line between Pilkington and Niagara Junction in the Province of Ontario.

An Act respecting the Construction of a Canadian National Railway Line between Grand Mère and East Burrills, in the Province of Quebec.

An Act respecting the Construction of a Canadian National Railway Line between Weyburn and Radville, in the Province of Saskatchewan.

An Act respecting the Construction of a Canadian National Railway Line from Willowbrook North-Westerly, in the Province of Saskatchewan.

An Act respecting the Construction of a Canadian National Railway Line between Sturgie and Peesane, in the Province of Saskatchewan.

An Act respecting the Construction of a Canadian National Railway Line from Peesane Northerly, in the Province of Saskatchewan.

An Act respecting the Construction of a Canadian National Railway Line from near Shellbrook Westerly in the Province of Saskatchewan.

An Act respecting the Construction of a Canadian National Railway Line, being an extension of the Turtleford South-Easterly Branch to a point between Hafford and Richard, in the Province of Saskatchewan.

An Act respecting the Construction of a Canadian National Railway Line between Kindersley and Glidden, in the Province of Saskatchewan.

An Act respecting the Construction of a Canadian National Railway Line from near Spruce Lake Westerly, in the Province of Saskatchewan.

An Act respecting the Construction of a Canadian National Railway Line from Hudson Bay Junction Southerly in the Province of Saskatchewan.

An Act respecting the Construction of a Canadian National Railway Line from Elk Point Easterly, in the Province of Alberta.

An Act respecting the Construction of a Canadian National Railway Line between Ashmont and Bonnyville, in the Province of Alberta.

An Act respecting the Construction of a Canadian National Railway Line between Bretona and Clover Bar, in the Province of Alberta.

An Act to amend the Canadian National Railways Act, 1919.

An Act to amend the Judges Act.

An Act to amend the Exchequer Court Act.

An Act to amend the Supreme Court Act.

An Act respecting Dominion Electric Protection Company.

An Act respecting the Canadian National Steamships and to provide for the establishment of West Indies Service.

An Act for granting to His Majesty a certain sum of money for the public service of the financial year ending the 31st March, 1927.

An Act for granting to His Majesty a certain sum of money for the public service of the financial year ending the 31st March, 1927.

The House of Commons withdrew.

The Right Honourable the Deputy of the Governor General was pleased to retire.

The sitting was resumed.

The Senate adjourned until to-morrow at 11 a.m.

THE SENATE

Friday, April 1, 1927.

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

SEIZURES OF SMUGGLED LIQUORS

INQUIRY

Hon. Mr. PROWSE inquired of the Government:

1. How many seizures were made of smuggled liquors in Prince Edward Island, during the years 1925 and 1926?
2. The quantity of liquors so taken in each of said years?
3. What was done with the liquor so seized?
4. How much duty was collected on the same?
5. If the liquor was sold, to whom, and how much was received by the Dominion Government for the liquor so disposed of?

Hon. Mr. DANDURAND:

1. Twenty-one seizures.
2. 1925—221 gallons; 1926—631 gallons.
3. 238 gallons destroyed, 34 gallons sold, 580 gallons on hand.
4. No duty collected. Sold for sum equal to the duty.
5. Thirty-four gallons sold to Prohibition Commission of P.E.I. for sum of $350.

CUSTOMS INQUIRY COMMISSION

INCOMPLETE REPLY

On the Orders of the Day:

Hon. C. E. TANNER: Honourable gentlemen, I wish to direct the attention of my honourable friend the leader of the House to what appears to me to be a very extraordinary answer made yesterday to some inquiries which I had submitted on a previous day in regard to the Customs Inquiry Commission. As honourable gentlemen will observe, the questions included inquiries as to who are the persons constituting the Commission; what salaries, if any, they are receiving in the positions they hold per-

manently; whether or not they are to be paid, or are being paid, additional remuneration or allowances as Commissioners; and who are solicitors, and what they are being paid. The first two questions are answered satisfactorily, the replies giving the names of the three High Court Justices who constitute the Commission, and stating their regular salaries as Judges; but as to question No. 3—

Are they receiving or to be paid any additional allowances or remuneration as Commissioners; and, if so, how much?

—the answer from the Government is: "No information."

A further question is asked, as to whether or not the Commissioners may decide as to the places at which hearings shall be held, and the period during which hearings shall be held, and this also is answered by: "No information."

I can quite understand that the question last mentioned might be a little difficult to answer, but I am totally unable to understand why this Government, or any Department of this Government, is not in a position to tell this House whether or not the three eminent gentlemen, who are Judges of the Superior Court, are being paid, or are to be paid, any additional allowances for their work as members of the Royal Commission, and so far as I am concerned I must regard the answer of "No information" as being impossible to accept, and as treating this House with disrespect. That is the way I look at it. The answer is given at once as to who the solicitors are, and how much each solicitor is paid. I presume that if the Commissioners themselves are paid, or to be paid, the question was settled when they were appointed, and if they are being paid anything it is coming out of the same treasury as the remuneration for the solicitors.

I have no complaint against my honourable friend the leader of the House (Hon. Mr. Dandurand), but I think this House has a real ground of complaint against the Department or the person who is responsible for sending down to this House such a disrespectful reply.

Hon. Mr. DANDURAND: The answer which is printed in Hansard does not give the source of the information. I do not know whether it comes from the Department of Justice or from the Privy Council. If the answer to my honourable friend's question is as stated by him, I confess I am as much surprised as he. I had not read the answer, but simply transmitted it as received.

Hon. Mr. TANNER: I understand, and I am attaching no blame whatever to my honourable friend.

Hon. Mr. DANDURAND: I cannot understand why there is no information with regard to those questions of my honourable friend. I will inquire and bring a reply to this Chamber for the next sitting of the House.

PRIVATE BILL

THIRD READING

Bill C5, an Act respecting a certain patent of R. T. Vanderbilt Company.—Hon. Mr. Belcourt.

DIVORCE BILLS

SECOND AND THIRD READINGS

Bill O6, an Act for the relief of John Henry Fisher.—Hon. Mr. Willoughby.

Bill P6, an Act for the relief of Leo Bruce Burley.—Hon. Mr. Willoughby.

Bill Q6, an Act for the relief of Hilda Parker.—Hon. Mr. Willoughby.

Bill R6, an Act for the relief of Gladys Ivy Turner.—Hon. Mr. Willoughby.

Bill S6, an Act for the relief of Rose Ann Hill.—Hon. Mr. Willoughby.

Bill T6, an Act for the relief of Annie Mary Ann McCulloch.—Hon. Mr. Willoughby.

Bill U6, an Act for the relief of George Melvil Fleet.—Hon. Mr. Willoughby.

FOOD AND DRUG BILL

CONSIDERATION IN COMMITTEE DISPENSED WITH

On the Order:

The House in Committee of the Whole on Bill 105, an Act to amend the Food and Drug Act, 1920.—Hon. Mr. Dandurand.

Hon. Mr. DANDURAND: Honourable gentlemen, I do not know whether any honourable members of the Senate have examined this Bill, which contains a number of amendments to the Food and Drug Act. If they have examined it and are content with the explanations given in the marginal notes printed with the Bill, then we may go fearlessly into Committee of the Whole; but, if some honourable gentlemen who have interested themselves in this measure feel that we need further information, I would rather have them meet in a special Committee with the experts of the Department. I know that the Bill has been well prepared. The explanations are clear, and they satisfy me. I hope they satisfy the other members of the Senate. Is there any special objection to the Bill?

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, I have made a fairly close examination of the Bill and it appears to me to be reasonable in its requirements. It is an enlargement along two lines: It brings

drugs under the same regulations that foods are under, with the same purpose in view; and it meets a change in the manner in which prepared foods are put up. All this is for the purpose of keeping a check to see that the consumer gets purity, quality and quantity. It seems to me that this is a matter of technical examination, and, as the Department has gone into it thoroughly and recommends these amendments, and the Bill has been carried in the other House, I think we are on pretty safe ground if we accept it.

Hon. W. B. ROSS: Honourable gentlemen, this is one of a class of Bills which, so far as I am concerned, I nearly always leave to the doctors in the House, and if they raise no objection at all, I do not see any reason why we should object. I see my honourable friend from St. John (Hon. Mr. Daniel) here. He might give us his opinion.

Hon. Mr. DANIEL: Honourable gentlemen, I have gone over this Bill, and to my mind it is one that we might fairly well pass. If my suggestion is any good, I think we might go into Committee of the Whole on it.

Hon. Mr. DANDURAND: I move that the House go into Committee of the Whole on this Bill.

Hon. W. B. ROSS: Why not give it third reading?

Hon. Mr. DANDURAND: Then I move that we dispense with the Committee of the Whole, and that we proceed to the third reading of the Bill.

The motion was agreed to.

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

TRADE MARK AND DESIGN BILL

SECOND READING POSTPONED

On the Order:

Second reading of Bill 171, an Act to amend the Trade Mark and Design Act.—Hon. Mr. Dandurand.

Hon. Mr. DANDURAND: I have been asked by the honourable gentleman from Welland, ex-Minister of Labour (Hon. Mr. Robertson), to have the discussion of this Bill postponed till Monday evening. I hope that we shall dispose of the second reading then, and that we shall have lost hardly any time. I am agreeable to the honourable gentleman's suggestion, and move that this order be discharged and placed on the Orders of the Day for Monday next.

Hon. Sir GEORGE FOSTER

Right Hon. Sir GEORGE E. FOSTER: I would like to suggest to my honourable friend that there might be a better way to deal with this Bill. I find that there are two parties: one party, very generally distributed, which is strongly opposed to the Bill, and another party, equally distributed, which is strongly in favour of it. I think that if you now defer consideration of this Bill and on Monday evening have a further discussion of it, you will simply be in the same position then as you are in to-day. My suggestion is that it is better to send this Bill to the Banking and Commerce Committee and allow the officers of the Department and the parties who are for the Bill and those who are against it to state their views. In that way, I think, we shall come to a fair decision without so much loss of time.

Hon. Mr. DANDURAND: That proposal came before me, but some honourable members of the Senate desired to be heard on the motion for the second reading. We shall have a discussion on the second reading.

Right Hon. Sir GEORGE E. FOSTER: We might do both.

Hon. Mr. DANDURAND: If the second reading passes on Monday, and if it is urged, as it has been urged, that the Bill should be sent to a Committee, it might be referred to Committee for the next day, Tuesday.

Hon. SMEATON WHITE: I wanted to say something on the principle of this Bill; but if the honourable member from Welland (Hon. Mr. Robertson) wishes to be here when it is dealt with of course there is no special objection to postponing the discussion. But I do not think that we ought to be asked to pass on the principle of the Bill even if we do send it to the Banking and Commerce Committee.

Hon. Mr. DANDURAND: We will discuss this matter on the second reading, on Monday evening.

Hon. Mr. BEAUBIEN: May I make a suggestion to the honourable leader of the House? This Bill will probably go to the Banking and Commerce Committee. There are a large number of persons who want to be heard. If a time were appointed now, these parties might be notified immediately, and be present on the day fixed.

Hon. Mr. DANDURAND: It would be somewhat difficult to fix the date now unless there seemed to be a consensus of opinion in the Senate that the Bill would get its second reading.

Hon. Mr. BEAUBIEN: I do not want to admit that.

Hon. Mr. DANDURAND: If the Bill is read the second time on Monday evening, we can fix Wednesday or Thursday for the meeting of the Committee; at all events, we can arrange to give 48 hours' notice, so that all interested parties may attend.

Hon. Mr. BEAUBIEN: Anyhow, we may take it for granted that ample notice will be given to the people who wish to be heard on this Bill? They will be given notice a day or two in advance, or whatever time may be required?

Hon. Mr. DANDURAND: Provided that the matter is dealt with in the course of next week.

Hon. Mr. BEAUBIEN: Oh, yes.

Hon. Mr. SHARPE: I may say that I have had some very strong protests from Winnipeg against this Bill, and I think the Winnipeg parties could not get here by Tuesday, but would need longer time.

Hon. Mr. DANDURAND: If we took the second reading on Monday the Bill would not be considered by the Committee before Wednesday, and if my honourable friend urged that it should not be dealt with before Thursday, it would be postponed till then.

The Hon. the SPEAKER: Honourable gentlemen, if you will excuse my speaking from the Chair, I may say that I have had strong protests from Vancouver about this matter, and if it is intended to take evidence, I presume these Vancouver people ought to have an opportunity of being heard.

Hon. Mr. DANDURAND: I do not want to imperil the Bill, in case the rumour in the air materializes, that we shall prorogue before Easter. At all events we could arrange to have a meeting of the Committee on Wednesday or Thursday and the Committee might then decide to adjourn until the end of the week. It is likely that if we are moving towards prorogation on the 13th or 14th of this month we shall be sitting on Saturday, and in that case British Columbia could be heard.

The motion was agreed to.

DIVORCE BILLS

FIRST READINGS

Bill W6, an Act for the relief of Charles William John Walker.—Hon. Mr. Willoughby.

Bill X6, an Act for the relief of John Stewart Walker.—Hon. Mr. Willoughby.

Bill Y6, an Act for the relief of Percy Ashley Davis.—Hon. Mr. Willoughby.

Bill Z6, an Act for the relief of Edward Henry Ball.—Hon. Mr. Willoughby.

Bill A7, an Act for the relief of Mary Saranchuk.—Hon. Mr. Willoughby.

Bill B7, an Act for the relief of Dorothy Ruth Hoffman.—Hon. Mr. Willoughby.

Bill C7, an Act for the relief of Frederick Wilson McLean.—Hon. Mr. Willoughby.

CANADIAN NATIONAL RAILWAYS BRANCH LINES

STATEMENT OF EARNINGS

Hon. Mr. DANDURAND: Honourable gentlemen, when I moved the second reading of the Bills concerning branches to be built by the Canadian National Railways my honourable friend opposite (Hon. W. B. Ross) asked me if I could procure information with regard to the earnings of the branches that were authorized three years ago. I asked the Railway Department to give me that information if it could be had. It has been given us in Committee, but it has been suggested that the information should go on Hansard; so I present it to the House.

Re Earnings from Canadian National Railways Branch Lines previously authorized by Parliament.

The Railway does not keep books in such a way as to definitely reflect the net earnings of these branches, but a method can be applied which in a general way will indicate if they are carrying themselves.

By the end of the year 1926 the track had been laid on all of them, but some of them were only in operation during a small part of that year.

The total station earnings during the year 1926 on the branches built under the previous three-year programme of branch line construction, including two supplementary lines authorized in 1925, was $3,022,831. This figure may be taken as representing the gross earnings from the branches in question. If the same operating ratio for the whole Canadian National Railways for the year 1926, of 82.5 per cent is applied to these earnings, a net from operation of $528,995 would be obtained.

The total costs of construction of these branches to December 31, 1926, was $13,417,048, of which $5,030,996 was expended during 1926, and it is safe to assume half of this $5,030,996, or $2,515,498, would not pay interest during the year 1926. Therefore interest would be paid in 1926 on $10,901,550, which, if taken at 5 per cent would create a fixed charge of $545,077.

On the above basis the fixed charges on the branches in question were $545,077, and the net from operation $528,995, indicating that during the year 1926 they came within $16,082 of carrying themselves.

Hon. Mr. CASGRAIN: Do they say how many miles? What is the mileage?

Hon. Mr. DANDURAND: I have not that information. Perhaps it was given us in Committee, but it is not contained in the statement I have just read.

DISSOLUTION AND ORDERS FOR RETURNS

STATEMENT

Hon. Mr. DANDURAND: Honourable gentlemen, my honourable friend from Charlottetown (Hon. Mr. Prowse) complained a few days ago that a return ordered by this Chamber on the 25th of June last had not been made. As I was leaving the city, I asked His Honour the Speaker to try to ascertain why the papers in question had not reached us. His Honour the Speaker has handed me some correspondence on the subject. The following is a letter from the Acting Under-Secretary of State:

Ottawa, March 31, 1927.

Sir,—With reference to the conversation exchanged by yourself and this Department on the 'phone a few days ago regarding a return to an Address of the Senate passed on the 25th June, 1926, I have now the honour to enclose, herewith, for your information a copy of the opinion expressed by the Deputy Minister of Justice with respect to the force of such Addresses or Orders after the dissolution of the Parliament in which they are passed.

I regret that it has not been possible to supply this opinion earlier but the question has required more study than at first appeared.

I have the honour to be, Sir, Your obedient servant,

G. R. Shibley,
Acting Under-Secretary of State.

The Honourable Hewitt Bostock,
Speaker of the Senate,
Ottawa.

Here is the opinion of the Deputy Minister of Justice addressed to the Acting Under-Secretary of State:

Ottawa, March 30, 1927.

Dear Sir,—Referring to your memorandum of the 26th instant, signifying a request for my opinion upon the question whether certain orders for returns made by the Senate and House of Commons, respectively, but not complied with, during the last session of Parliament, were, upon the dissolution of Parliament, vacated, and do not consequently require to be complied with unless renewed, I observe that your department has expressed the opinion that these orders lapsed upon the dissolution of Parliament and require to be renewed, whereas Mr. Speaker Bostock holds the opinion that the orders are still in force and should be satisfied.

With regard to the orders of the House of Commons, Rule 34 of the Rules and Forms of that House (1922) provides as follows:

"A prorogation of the House shall not have the effect of nullifying an order or address of the House for returns or papers, but all papers and returns ordered at one session of the House, if not complied with during the session, shall be brought down during the following session, without renewal of the order."

While this rule is doubtless effective to save an order of that House for a return from losing force by reason of prorogation of Parliament, no similar provision has been made to save such orders from the effect of a dissolution of Parliament; and the Clerk of the House informs me that when Parliament is dissolved before the return is presented, the practice has been to treat the order for the return as having been vacated by the dissolution of Parliament. I think this practice is in accordance with parliamentary law and custom.

With regard to the Senate, there is no provision in the Rules of that House corresponding to Rule 34 of the House of Commons; and although I am informed by the Clerk of the Senate that returns have been brought down in one session in compliance with an order of a former session without any renewal of the order, it appears that no question was ever raised as to whether such an order had force beyond the prorogation of the session in which it was made. I am of the opinion that an order of that House for a return, which has not been complied with in the session in which it is made, is vacated by the prorogation or dissolution of Parliament, and does not require to be complied with unless it is renewed.

Yours faithfully,

(sgd) W. Stuart Edwards,
D.M. of J.

G. R. Shibley, Esq.,
Acting Under-Secretary of State,
Ottawa.

His Honour the Speaker thought it proper to point out to the Department of Justice that a dissolution of Parliament affected primarily the House of Commons, and that as this Chamber was a continuing body it should not come under the same rule as might apply to the other Chamber. He has cited an opinion given on this matter by Bourinot:

These returns are furnished by the departments of the government with as much speed as practicable, but it often happens that a large number cannot be prepared in time to be laid before the house during the same session in which they are ordered. In such a case, returns are often presented during the following session, and papers have even been brought down several years after having been ordered. A prorogation formerly nullified the effect of an order, and the practice was to make a motion in the next session or read the order of the previous session, and order the return immediately. But a rule of the house (No. 34) now directs the return to be brought down without a renewal of the order.

You will observe that Bourinot declares that papers have even been brought down several years after having been ordered.

May says:

When Parliament is prorogued before a return is presented, it is not the modern practice to renew the address or order in the following session, but the order is held to have force from one session to another until it is complied with. Formerly an order which had not been complied with was renewed in an ensuing session as if no order had previously been given, in accordance with the view that a prorogation puts an end to almost every proceeding pending in Parliament. Returns were often presented however by virtue of addresses in a preceding session, without any renewal of the address, and occasionally in compliance with an order of a

former session. Returns have been ordered also "to be prepared in order to be laid before the house in the next session;" and orders of a former session have been read, and the papers ordered to be laid before the house forthwith. The order for an address made by a former Parliament has been read, and the house being informed that certain persons had not made the return, they were ordered forthwith to make a return to the house.

As honourable gentlemen will see, it is a moot question whether the Government, or a Department of the Government, having received an order for a return, should not proceed to make that return after the dissolution of Parliament. Pending the settlement of this question with the Department of Justice, or by a resolution of Parliament, which would be supreme, I would suggest to my honourable friend (Hon. Mr. Prowse) that he renew his motion for those papers.

The Senate adjourned until Monday next, at 8 p.m.

THE SENATE

Monday, April 4, 1927.

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

Prayers and routine proceedings.

LOAN COMPANIES BILL

FIRST READING

Bill 49, an Act to amend the Loan Companies Act, 1914.—Hon. Mr. Dandurand.

Hon. Mr. DANDURAND: There are three Bills on similar lines: they are an Act to amend the Loan Companies Act, an Act to amend the Trust Companies Act, having for their object to give greater powers to the Department of Finance in dealing with the companies that come under these laws, and also an Act to amend the Winding-up Act. The three measures could be studied together. My honourable friend has suggested to me that, as various interests have asked for a hearing, these three Bills should be sent to the Committee on Banking and Commerce. I have for my part no objection to that. I have been shown just now a letter from the legal representative of the Government of Ontario, asking if he could get a hearing to-morrow on the constitutional issue which arises under one of these Bills. I am ready to suggest that we take the second readings of these Bills this evening and send them to Committee to-morrow, if the Chairman of the Committee on Banking and Commerce is agreeable to that suggestion. If so, it would not necessarily mean that the Bills would be reported to-morrow, because some other parties, from afar, may desire to be heard. The Committee might adjourn to a later date during the course of this week.

Hon. Mr. ROSS: I understand that they are to go to Committee without our voting on the principle at all. I would like to suggest to my honourable friend that the Bill as to which it is desired to discuss the constitutional issue, can be discussed in the House, notwithstanding that it is being sent to the Committee. It may not be a common practice here, but in the Imperial Parliament that practice is quite often followed. Those who desire to raise a constitutional question might do so, notwithstanding that the Committee on Banking and Commerce were dealing with the details of the Bill.

Hon. Mr. MURPHY: That is, the constitutional question could be raised in this House?

Hon. Mr. ROSS: Yes. Sending a Bill to a Committee does not take away from us the right to discuss that.

Hon. Mr. DANDURAND: I have always understood that the merits of a Bill could be attacked on the third reading, as well as on the second.

Hon. Mr. ROSS: But this question goes further. I have looked up the point within the last forty-eight hours, and I find that the sending of a Bill to Committee does not deprive the House of the right of continuing to discuss it.

Hon. Mr. McMEANS: I hope that these Bills will not be sent to the Committee on Banking and Commerce to-morrow. We would like to have another day to examine them. Besides, the Divorce Committee will be engaged all day, and there are several members of the Committee on Banking and Commerce who are also members of the Divorce Committee. I hope that these Bills can be put over until, say, Wednesday.

Hon. Mr. DANDURAND: I had no opportunity to discuss the matter with the Chairman of the Committee on Banking and Commerce; nevertheless his answer has just been sent to me. I will not move the second reading of these Bills this evening; but, with the leave of the House, I will move it to-morrow, with the understanding that they may go to the Committee on Banking and Commerce on Thursday.

Hon. Mr. BLACK: Honourable gentlemen, some honourable members of this House and persons outside, have expressed to me a desire to be present when these Bills are before the Committee, and Thursday seems to be the earliest date which will suit the majority of those who are interested.

WINDING-UP BILL

FIRST READING

Bill 51, an Act to amend the Winding-up Act.—Hon. Mr. Dandurand.

TRUST COMPANIES BILL

FIRST READING

Bill 52, an Act to amend the Trust Companies Act, 1914.—Hon. Mr. Dandurand.

PRIVATE BILLS

FIRST AND SECOND READINGS

Bill 17, an Act respecting certain patents owned by Warren Brothers Company.—Hon. Mr. Haydon.

FIRST READINGS

Bill 106, an Act to incorporate the Premier Guarantee and Accident Insurance Company of Canada.—Hon. Mr. Casgrain.

Bill 110, an Act to incorporate the President of the Lethbridge Stake.—Hon. Mr. Buchanan.

Bill 112, an Act respecting the Bronson Company.—Hon. Mr. Belcourt.

Bill 120, an Act respecting the Joliette and Northern Railway Company.—Hon. Mr. Gordon.

Bill 143, an Act to amend an Act respecting the Brandon, Saskatchewan and Hudson's Bay Railway Company.—Hon. Mr. McMeans.

Bill 153, an Act respecting the Baptist Convention of Ontario and Quebec.—Right Hon. Sir George E. Foster.

CANADIAN NATIONAL RAILWAYS BRANCH LINE BILL

FIRST READING

ROSEDALE SOUTHEASTERLY

Bill 178, an Act to amend an Act respecting the construction of a Canadian National Railway line, being a joint section from Rosedale southeasterly in the Province of Alberta.—Hon. Mr. Dandurand.

GOVERNMENT EMPLOYEES COMPENSATION BILL

FIRST READING

Bill 227, an Act to amend an Act to provide compensation where employees of His Majesty are killed or suffer injuries while performing their duties.—Hon. Mr. Dandurand.

Hon. Mr. DANDURAND.

CIVIL SERVICE SUPERANNUATION BILL

FIRST READING

Bill 231, an Act to amend the Civil Service Superannuation Act, 1924.—Hon. Mr. Dandurand.

CIVIL SERVICE ANNUITIES BILL

FIRST READING

Bill 232, an Act to provide annuities for the widows of certain civil servants.—Hon. Mr. Dandurand.

CANADA GRAIN BILL

FIRST READING

Bill 235, an Act to amend the Canada Grain Act.—Hon. Mr. Dandurand.

CUSTOMS INQUIRY COMMISSION

FURTHER REPLY

On the Orders of the Day:

Hon. Mr. DANDURAND: Honourable gentlemen, I desire to add to the information given last week in reply to the questions of the honourable gentleman from Pictou (Hon. Mr. Tanner). He asked a series of questions Answers were given to Nos. 1 and 2. In regard to No. 3 I gave the answer that there was no information. I sought the information, and got it, and I would now answer as follows:

3. Are they receiving or to be paid any additional allowances or remuneration as Commissioners, and if so, how much?

The answer is: there is nothing added to their salary as stated. They are paid $25 for living allowance, plus their actual transportation costs.

Hon. Mr. McMEANS: Very cheap.

PRIVATE BILL

SECOND READING

Hon. Mr. BEAUBIEN moved the second reading of Bill V6, an Act to incorporate Commerce Mutual Fire Insurance Company.

He said: Honourable gentlemen, this is nothing but a standard Bill. This company has been doing business in the Province of Quebec, and wants to extend its scope throughout the country. It has a standard charter, and has the approval of the Superintendent of Insurance, and an excellent financial report.

I move the second reading of the Bill.

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

TRADE MARK AND DESIGN BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 171, an Act to amend the Trade Mark and Design Act.

He said: Honourable gentlemen, the Bill now before the Senate to permit of the registration of trade union labels deals with a subject which was before Parliament repeatedly in years now long past, from 1895 to 1905. In reviewing the debates which occurred on those earlier Bills, I find that I myself was one of those who opposed the passage of legislation in 1903 respecting labour union labels which was sponsored by my honourable friend from Portage la Prairie (Mr. Watson). Now let me say at once that the Bill of 1903 was different in many respects from that which is before us to-day, and I may readily admit that I only viewed that measure from one angle—the legal aspect. I did not survey the whole field.

Very many changes have occurred during the past twenty-five years and many of the fears which were expressed at that time as to the dangers of labour organizations abusing their power, have not been realized. Instead of labour and capital being organized more and more into hostile camps, the philosophy of trade unionism in North America has greatly changed, so that as respects the more important branches of labour unionism, very many of them are working to-day on the best of terms with the employers. Occasionally one still come across the utterances of individual labour men who contend that their interests are diametrically opposed to those of the employers, and who, in short, preach the socialist doctrine of class interest. But more and more labour unions are coming to work with the employers rather than against them, and those who preach strife are only the extremists. May I say here that it is not from the extremist elements in the labour movement in Canada that the request for the present Bill has come, but from the most responsible and, shall I say, conservative elements of unionism in the country.

When the Union Label Bill came before this honourable body twenty-five and thirty years ago it was contended that it would bring loss and occasion embarrassment to many employers through the efforts which the organized workers might make to force the label upon them. In the light of the actual results it must be admitted, however, that these distressing anticipations have not been fulfilled. True, the union label has never been given the protection of law in Canada which it has received elsewhere, but labour unions have continued to seek the granting of such fair wages and hours conditions in manufacturing and other establishments, and in many cases where these conditions were granted they have permitted employers to place the union label on their products as an indication to the public and to other workers of the satisfactory labour conditions existing in these respective plants.

One frequently sees this mark of approval which labour has placed on the product of individual Canadian shops and factories such as boots and shoes, clothing, printed goods, etc., but I am assured through the department of the Federal Government which has to do with labour matters that it has not been the practice of trade unions to force the use of the union label on anyone, and, indeed, that the record which is kept of strikes and lockouts occurring in Canadian industries from year to year does not show that the union label figures at all in the lists of strikes and lockouts. It must therefore be admitted that the fears which were entertained on this score years ago have not been realized, and this fact should influence our judgment in dealing with the measure which is now before the House.

All that this Bill involves is the granting to organized labour in Canada of the right to register their trade union labels with the Dominion Government in order to prevent their unauthorized use, and also to obviate the use of forgeries and counterfeits. The Bill is designed, briefly, to secure for labels the same measure of protection as is already accorded to trade marks. A similar protection is granted at present to union labels in Great Britain, in Australia, and in all of the forty-eight States of the United States.

It is provided in the Bill that no union label shall be placed on any goods without the consent of the proprietor, and that when an agreement has been reached with an employer for the use of the label on his goods, such authorization shall be subject to cancellation only on twelve months' notice, unless otherwise specified by agreement. Goods bearing the union label may also be sold at any time if at the time the labels were applied to them the person, firm or corporation by whom the labels were applied, was authorized to do so. Labels will not be assignable under the present Bill, and authority is given to the Exchequer Court to cancel the registration of labels if such action is justified by the circumstances of the case.

Penalties are provided which may be enforced against the unauthorized use of the label, or against forgeries and counterfeits, as in the case of trade marks. The last section of the Bill authorizes the issue of search warrants in

cases where there is reason to believe that counterfeit labels, or tools, dies, etc. for making the same, are concealed. A similar right of search is authorized under Sections 488 and 629 of the Criminal Code for the protection of trade marks. Although it is intended by the present Bill that union labels shall be registered under the Trade Mark and Design Act, there will be no confusion of these labels with trade marks, as the registration will be entirely separate.

Instances have been brought to the attention of the Government repeatedly of the imitation of union labels, and of their unauthorized use for the purpose of deceiving purchasers. Petitions in favour of the passage of this legislation have been received from labour organizations in all parts of Canada, and the present Bill was adopted in the House of Commons without any expression of dissent.

Some years ago, in 1919, the question of granting registration to union labels was discussed at a conference in the headquarters of the Canadian Manufacturers' Association, at which the Dominion Government, employers and workers were represented. At this conference a Bill similar to the present one met with general approval.

A measure similar to the present Bill was prepared last winter and introduced in the House of Commons as a private Bill. I am given to understand, however, that this Bill was not submitted to Parliament without the knowledge of the employing interests of the country, and that efforts were made to meet the wishes of the latter.

Bill No. 171 comes before us to-day, however, with the support of the Government and in the form of a Government measure.

I made allusion to views which were held twenty-five years ago, in this House, as to the status of labour unions and the doctrines advocated by unionists in certain directions. During this interval, organized labour has made great increases in membership and in addition to the funds which were maintained years ago for aggressive and protective action, unions in a number of cases have since developed important insurance funds for the protection of their own members, have also organized banks and even entered the field of business.

It is unnecessary that I should more than mention the important part which was taken by the workmen of Canada in the mighty struggle which was waged for four years overseas for the protection of liberty and justice. As regards organized labour may I say however, that the Trades and Labour Council of Canada was represented on Government committees and at various conferences which were held during the war looking to its successful prosecution in various directions. An order-in-council, known as the War Labour Policy of Canada, was also adopted in 1918 (P.C. 1743) in which certain principles and policies were declared and their adoption urged upon both the employers and workmen of Canada, as follows:

> That all employees have the right to organize in trade unions, and this right shall not be denied or interefered with in any manner whatsoever, and through their chosen representatives should be permitted and encouraged to negotiate with employers concerning working conditions, rates of pay, or other grievances.
>
> That employers shall have the right to organize in associations of groups, and this right shall not be denied or interfered with by workers in any manner whatsoever.
>
> That employers shall not discharge or refuse to employ workers merely by reason of membership in trade unions or for legitimate trade union activities outside working hours.
>
> That workers in the exercise of their right to organize shall use neither coercion nor intimidation of any kind to influence any person to join their organization or employers to bargain or deal therewith.

In the year following the close of the war, a Royal Commission of Enquiry was appointed by the Dominion Government on the recommendation of the honourable gentleman from Welland (Hon. Mr. Robertson) to enquire into the means of establishing a satisfactory relationship between employers and workers in Canada. In the report of this Royal Commission denial of the workers' right to organize was set down as one of the chief causes of existing labour unrest and a frank acknowledgement of this right by employers generally was strongly recommended.

At a National Industrial Conference which was convened in Ottawa in 1919, the sessions of which were held in the Senate Chamber, representatives of the employers' organizations and of the workers' organizations joined with the provincial and federal governments in an examination of the report of the Royal Commission on Industrial Relations, and united in a number of resolutions on the subject matters in question. The right of employees to join in lawful organizations was admitted in a report submitted to the Conference by the employers' representatives. The report of the employees' representatives on this same committee favoured also the right of employees to organize, and defined this expression as meaning the right of employees to organize or form themselves into organizations for lawful purposes.

In case objection may be taken in any quarter to the provision of the present Bill which permits labour unions, although unin-

corporated, to register their labels, it may be pointed out that the Statutes of Canada in a number of cases recognize the existence of labour unions.

With these explanations, honourable gentlemen, I beg to move the second reading of the Bill.

Hon. SMEATON WHITE: Honourable gentlemen, I rise to draw the attention of the Leader of the Government in this House to the peculiar character of the legislation set out in this Bill. On Wednesday last a question was asked by the honourable member from Montarville (Hon. Mr. Beaubien) as to the status of the Allied Printing Trades Council, one of the unions asking for the privilege which it is proposed to give under this legislation. Several days after the inquiry was made the answer was given that the status of the Allied Printing Trades Council was unknown; which means, I presume, that they have no civil status. Now, as I understand it, the application for the registration of a trade mark or copyright has to be made either by some individual owner or by some corporate body; but in this Bill it is provided that the application may be made by certain officers of the union. Well, I do not understand that they are the owners of this label, nor do I understand that the unions themselves can own the label. They have control of it, that is all.

The purpose of the Bill, as set forth in paragraph (c) of section 1, is to regulate the relations between the employers and the employees. Why should some outside organization that has no legal status whatever be called in to regulate the relations between an employer and his staff? It may be of interest to honourable gentlemen to know how this privilege of using the union label is obtained by the employer. He makes application, and is asked to sign an agreement, a copy of which I have before me, and which I would like to put on the record.

Montreal Allied Printing
Trades Council
Agreement

These Articles of Agreement, Entered into this.....day of.....A.D. 191.... by and between

.....

party of the first part, and Allied Printing Trades Council of Montreal party of the second part.

Witnesseth: That the said party of the first part in consideration of the use of the privileges of the Union Label, owned and controlled by the said party of the second part as agents for the Allied Printing Trades Council of Montreal, Canada, hereby agrees to employ none but members of the Allied Printing Trades Council of Montreal, Canada, composed of the following organizations: Typographical Union No.... Typographical Union No..... Printing Pressmen Union No..... Bookbinders Union No..... Stereotypers and Electrotypers Union No..... Photo-Engravers Union No.... Mailers Union No..... and such other organizations as may hereafter be admitted; party of the first part not to use said Label or trade mark upon anything but the strict production of Union Labor, and to neither loan nor duplicate said trade mark or use the same upon any printed matter without imprint or number.

The said party of the first part further agrees to pay the adopted scale of wages and observe the eight-hour day of the party of the second part, and to comply with its laws and those of the affiliated organizations now in force, or hereafter adopted; to notify the party of the second part if the office changes hands, and return the Labels in his possession to the party of the second part; and to allow the authorized representative of the Council to have access to the office of the party of the first part at any time during working hours.

Any violation of this agreement shall make it null and void and all cuts, electrotypes or stamps of the Label or trade mark of the party of the second part, in the possession of the party of the first part, shall immediately be delivered to the party of the second part, represented by

.....

President, Secretary-Treasurer, or their successors in office, and the further use of the same, after such annullment by said party of the first part, shall be without warrant and illegal and will be prosecuted according to law.

In Witness Whereof, We have hereunto affixed our hands and seals this.....day of..... A.D. 191....

.....
.....
.....
.....

President Allied Printing Trades Council

.....

Secretary-Treasurer Allied Printing Trades Council.

One of the clauses reads as follows:

The said party of the first part further agrees to pay the adopted scale of wages and observe the eight-hour day of the party of the second part,—

That has been changed since to 44 hours, or 40 hours, a week—

—and to comply with its laws and those of the affiliated organizations now in force, or hereafter adopted;

In other words, the laws under which this label may be used are made by the unions, from time to time, as they see fit. The honourable gentleman himself (Hon. Mr. Dandurand), sits on some Boards representing shareholders who are employers of labour, and I ask him if he thinks he could properly advise the management of any of those large employers of labour to sign a contract of this kind. The signing of such a contract would take entirely out of the hands of the manage-

ment the government of their own employees, and put it in the hands of someone else—whom, they do not know. That is the purpose of this legislation, honourable gentlemen, and I cannot see why Parliament should go out of its way to give such powers to a body of this kind, which has no corporate existence at all. The ordinary law is broad enough. If there is any ownership at all in the label, the owners can apply and get their rights. Therefore, it must be patent to honourable gentlemen that something more is asked for than the mere registration of the label.

The honourable gentleman (Hon. Mr. Dandurand), in speaking of the unions that are asking for this legislation, says they are some of the best. I do not understand that the railway unions, in which the honourable member for Welland (Hon. Mr. Robertson) is interested, are asking for this legislation at all. It is the Trades Unions that are doing so—the printing trades, boot and shoe workers, carpenters, and so on. In 1919 many of the officers, as well as members of these unions, appeared before a Government Commission of which I was a member. They were asked what they thought would settle the unrest among workmen, and they said they wanted to see a division of the wealth they had created. In other words, they wanted Soviet conditions, such as obtain in Russia. That statement was made not once, but several different times and in several different places. This legislation is going to put authority into the hands of those people whose idea is to set up another Russia; and I do not think this honourable House should pass such legislation without knowing who is asking for it.

If there is any question as to the ideas of these people in regard to the use of this label, I would refer to a letter, dated March 24, from the United Brotherhood of Carpenters and Joiners of America, which states that the label is to be a distinguished mark between work executed by sweated labour under unsanitary conditions, and that done by competent mechanics in healthy surroundings. Honourable gentlemen who are interested in manufacturing, but who do not use the union label, know that this statement is absolutely misleading. Surely, if you are going to give this label the stamp of authority of Parliament, you should know who is asking for it. Otherwise, if such statements as I have read are broadcast, against whom is an employer who wishes to take action to proceed? There will be no one against whom he can proceed, and the union, which has no standing, can broadcast these statements as it sees fit. Perhaps the honourable gentleman can tell me where the employer stands in this matter. So far as I can see, he has no recourse at all.

We have been asked to favour this Bill because it is going to help to do away with unsanitary and unfair conditions. The Provinces have Factory Acts, Workmen's Compensation Acts, and other Acts which deal with conditions in the factory and the welfare of the employees, and I cannot see why the Dominion Government should interfere in this manner at all.

I think there may be some question as to the right of the Dominion Government to pass an Act of this character. It is not intended simply to permit of the registration of the label; it goes far beyond that; and I think we should consider the Bill very carefully before passing it. As an example of what this may lead to, let me refer to something that I read last night in the memoirs of Robert Dollar, chapter 29, page 290, published in San Francisco:

> In San Francisco there had been a longshoremen's strike for some time. They took such complete possession of the waterfront that the United States Government had to get a permit from Mr. Murphy, president of the Union, to remove specie from the dock of the subtreasury.

That is what the unions will do. I do not say they are all the same, but some will go to extremes. Why this Parliament should give them something which will be regarded by the public as vesting them with real authority, which they have not at present, is beyond me.

A great many employers object to signing a contract of the character of the one I have read, and I think properly so. Perhaps I may be permitted to refer to a case which is somewhat personal. In the city of Montreal I happen to represent probably the largest taxpayer in the printing line. The aldermen of the city, for reasons which I do not think are entirely in the best interests of the city at large, insist that the union label shall appear on all civic printed matter. Consequently there is limited competition, and the work is confined to those shops that are willing to use the union label. Speaking of our own city—and I think I may speak for many other cities as well—I can assure you that, contrary to what the carpenters assert, what are known as the open shops are far superior in sanitation and equipment to the shops that are using the union label.

I think that if the Government are going to pass legislation of this kind, they should provide that an employer who feels he has a grievance may go to court with it; and the

union should be obliged to put up some security for costs. There is no object in the employer entering suit against something that is not recognized in law. He cannot collect anything, but has to pay his own costs, and the union cannot be held in any sense legally responsible.

I therefore protest, honourable gentlemen, that this legislation is of such a character that I do not think this House ought to countenance it.

I have here an extract from the London Times of March 7, containing an article written evidently by a union man visiting the United States and employed there. He does not attack the union. He simply describes an open shop. If honourable members are interested, I would ask the leave of the House to put this on the record, so that they might have an opportunity of reading his opinion of what is known as the open shop.

Hon. Mr. DANDURAND: It is somewhat difficult, under the rules, to put on the record a newspaper clipping without reading it.

Hon. Mr. WHITE: I will read it if you wish.

Hon. Mr. DANDURAND: My honourable friend might read it.

Hon. Mr. WHITE: This is from the London Times of March 7, 1927, and is headed, "The Workman's Lot."

Hours and Wages

(From a Special Correspondent.)

I have just spent some time as a worker in an American factory in an attempt to investigate working conditions and the practical rather than theoretical relations obtaining between Capital and Labour. The plant at which I worked, one of several owned by a large concern which has in its service nearly 30,000 men, employs 3,500 workers. It is on "open shop" and may, I think, fairly be taken as characteristic of many large mass production manufacturing orgnizations in the country, with the exception of the motor industry, which is in a state of high prosperity peculiarly its own. A foundry, a forge, machine-shops and assembly shops form the main divisions of the factory. I was employed in the usual manner and by working with the men, who talked freely enough, found it possible to gain at first hand their own ideas about their conditions.

The engaging of workers, their dismissal and resignation are dealt with by an employment bureau. It is here that the application of an apparently genuine personal interest, perceptible throughout the factory, begins. Each man seeking work is interviewed whether there is a vacancy for him or not, partly with the idea that the services of those not immediately required may be available when they are wanted, and partly because it is felt that a polite refusal is better than a curt one. A remarkable variety of races is to be found among the workers. My own application for work was made in the company of Germans, Swedes, Bohemians, Poles, Russians, Italians and Austrians, some of whom spoke little or no English, as well as a fair number of negroes.

The working day is of nine hours, with a 50-hour week. Wages, wherever it is possible, are paid at piece rates; overtime is fixed at time and a half. I found no objection to the length of the working day among the men. An exhaustive survey of wages is out of place here. It is enough to state that, ranging as they do from $25 (£5) a week to as much as $90 (£18), with an average of $30 (£6), they are exceptionally high according to British ideas, in spite of the greater cost of living. The question of piece work deserves closer consideration.

Good Faith

Good faith is the essence of the contract, and good faith is observed. Each operation is so timed as to yield a fair wage to those who perform it with ordinary diligence and skill. The American rating is at "80 per cent efficiency," whatever that may mean. Once the rate is fixed, the management is pledged not to reduce it for a period of one year. In one particular case a negro foundry worker aroused much comment and some bitterness by regularly drawing about $100 (£20) a week. An inquiry into the affair showed that the money was legitimately earned. An impending marriage was responsible for his intense activity; presumably he was working at "100 per cent efficiency"—possibly more. At all events, there was no question of reducing the piece rate. Any great improvement in machinery or method removes this obligation, and the rate for the particular operation or operations concerned may be revised, to stand for another year or until further improvement. On the other hand, any general dissatisfaction with existing rates may find its vent in an appeal for a re-timing, in which case, if the complaints are justified, the amount is increased. This may be done at any time.

Mass production presupposes individual efficiency and specialization. I was prepared, therefore, to find a gallery-like atmosphere. Instead, although there was assuredly no idling, no evidence of feverish activity was to be seen but rather a steady and even flow of effort, and therefore of production. There is an unceasing search after improvements on existing methods and machinery, both of which are the best that have so far been devised. Wherever a manual operation can be performed by mechanical means the change is immediately made, on the score of reduced cost of production, reinforced possibly by the undoubted aversion of the worker from unnecessary labour. The men themselves actively coöperate in this respect, being encouraged to make suggestions. A special "suggestion box" exists, furnished with printed forms and envelopes; the extent to which it is used reveals a surprising amount of interest on their part. Valuable contributions to a greater efficiency have been made in this fashion. Suggestions, if of value, are rewarded by grants of money. The idea serves further to single out many who, by intelligence and interest in their work, show themselves suitable for promotion.

Pride in their working conditions was generally evident. Men who could scarcely speak English, realizing my nationality, asked few questions about British conditions. Rather they made comparisons, based upon their own

preconceived ideas of the lot of the British worker, always in favour of America, usually in a spirit less of boasting than of thankfulness. After making due allowance for a natural tendency to "show off" before the foreigner, it is impossible to escape the conviction that they were genuinely loyal and contented. High wages, of course, formed the bedrock of their self-congratulation, but they also had the idea that the American worker has much greater opportunities of rising to a responsible position. One man agreed that even in England men could reach these positions, but, he added naïvely, "England is the only Americanized country in Europe."

Promotion

In this connexion it is well to point out that the superintendent of the factory himself was once an ordinary machine shop hand and to add that it seems the exception rather than the rule for men in managerial positions—the American calls them executives—not to have served in many, if not all, of the subordinate departments. Moreover, all other things being equal, the ambitious young man will do as well, if not better, by getting work of this kind than by serving in the clerical department. The life is harder but the prospects are good, and the pay is higher. The "white collar" man will be allotted duties in which it is not easy to show more than the reliability and accuracy that are considered necessary even to retain employment, and a few opportunities for any kind of leadership or originality are afforded. The manual worker, once he has lifted himself out of the rut into a foremanship, has many chances of proving himself, since the management chiefly focuses its vision on the workshops in the continual search for fresh executive talent.

There is more of this, honourable gentlemen, but I think that is enough to demonstrate that an Englishman, evidently a union man, coming to America and going into what is known as an open shop, finds the conditions, at least so far as the work is concerned, quite to his liking. That is a statement which I think cannot be challenged. I know from my own experience that the production per man in an open shop, even though the employees be union men, is always greater than in a closed shop in which none but union men are employed That is largely due to the rules which are made by the union and over which the employer has no control.

Hon. G. D. ROBERTSON: Honourable gentlemen, I might add a few words that would perhaps afford some information on this subject. Besides, I prefer not to give a silent vote on an important question of this sort, especially on a Bill that I had something to do with in years gone by.

My honourable friend from Inkerman (Hon. Smeaton White) has quite properly and naturally dealt with this question from the standpoint of his associations and position in connection with industry. I may say at the outset, with regard to this legislation and similar Bills that have been submitted to Parliament over a period of nearly thirty years, that the purpose of the promoters in every case was to encourage and promote industrial peace rather than anything else. As far back as 1895 the first Bill was introduced. In 1903, and again in 1904, the honourable member who then represented Nanaimo introduced into the House of Commons a Bill the purpose of which was much the same as this.

At that time labour men, especially railway men, were seeking also legislation to provide for a semi-monthly pay day. That passed the House of Commons three times, and was three times rejected here. Finally, in 1917, the present President of one of our great railroads came before the Committee of this House and indicated a willingness on the part of the railroad to accept that legislation, which over a period of about fifteen years this House had been rejecting. It has never brought any hardship to the railroad. It has been a great boon to the employees. And now in a great many States of the United States weekly payment of wages is required by law.

I mention these things, honourable gentlemen, to indicate that time brings change, and we must appreciate that as industry becomes more intensified and modernized there is on the part of both employers of labour and workmen organized in trade unions for the purposes of more readily dealing with their employers, a desire to co-operate. The desire for co-operation and fair play between those two interests is the basis of this legislation that is now before Parliament.

In stating that, I know whereof I speak. In 1919, as my honourable friend the leader of the Government (Hon. Mr. Dandurand) and also my honourable friend from Inkerman (Hon. Smeaton White) have mentioned, some special attention was paid to this question of promoting co-operation between capital and labour in industry. In 1918 some steps had been taken in that direction. My honourable friend from Inkerman was a member of a Commission of six that travelled throughout Canada and heard the evidence and opinions of employers of all types, as well as labour men of all types. My honourable friend referred a few minutes ago to evidence given by labour men to the effect that they desired to control industry and come into possession of capital. No doubt such evidence was submitted by a certain few witnesses, but I am sure that my honourable friend from Inkerman would not for a moment contend that that was the

general consensus and weight of evidence received from labour men who appeared before that commission. There are employers who look with disapproval and suspicion upon anything in the name of organized labour; and there are labour men who look with suspicion, and indeed derision, upon anything bearing the name of capital; and so long as those two elements stand one here and one there, and continue to preach those doctrines and hurl defiance at each other, just so long will it be impossible to realize industrial peace in this or any other country. In 1919 the Trades and Labour Congress of Canada, the legislative mouthpiece of organized labour in this country for nearly forty years, and the Canadian Manufacturers' Association representing organized employers, at the suggestion and instigation of the Department of Labour met in the city of Toronto, in the offices of the Canadian Manufacturers' Association, and together attempted to discuss calmly, dispassionately, this important subject of their mutual relations. There were present at that conference, as I recall offhand, such men as Mr. Frank Beer, a manufacturer, and Mr. Wills Maclachlan, also a well known manufacturer, and gallant soldier, who did much work in the reconstruction days following the war, without thanks and without compensation, to try to help stabilize the disorganized industrial situation resulting from the conflict. There was at that conference also a gentleman named, I think, Douglas, a manufacturer of boots and shoes. There was a gentleman named Macdonald, a solicitor of the Canadian Manufacturers' Association. There were men like Mr. Tom Moore, representing the Trades and Labour Congress of Canada. There was Mr. Hatford, who to-day is one of the members of the Ontario Workmen's Compensation Board; also Mr. Eddie O'Dell, one of the oldest, most experienced and sanest labour men in Canada, representing the boot and shoe workers; and there were some others, whose names slip me at the moment. Those were the type of men who sat down together in 1919 and drafted, if you please, a Bill almost identical with the one that is now before this House.

Almost immediately after that conference, and before any steps were taken to introduce the Bill in the House, an unfortunate and lamentable situation broke out in Winnipeg, and the Government of that day felt that under the then existing circumstances, with turmoil prevailing in the industrial world, and feeling running high between the contending parties, the time was not opportune to introduce legislation of this sort; that it might not receive even fair consideration at the hands of either party and would only provoke dispute and discord, rather than accomplish the purpose intended.

So time slipped by until in 1925 the question was revived and an honourable member from a large industrial centre, West Hamilton, introduced this Bill in the House of Commons, after it had again, I am informed, been reviewed by a representative of the Canadian Manufacturers' Association and three slight amendments had been made at the suggestion of that body of business men. The Bill did not reach this House last year at all, because of the dissolution of Parliament.

This year the Government, having gone over all these historical facts, investigated what has been done, and satisfied itself that this legislation is fair and just to all parties concerned, and affords protection to the consuming public, brings this Bill into the House as a Government measure. Surely a Government, especially one constituted by our friends opposite, would not do that unless it was satisfied that the legislation was in the interests of the people at large.

A word or two with reference to the contents of the Bill. I think it is a well-established principle, definitely declared, rightly or wrongly, by the Government of Canada in 1918, that workmen should have the right to organize into associations for lawful purposes. It was likewise declared that employers had the same right. Now, this Bill provides that those employers and those workmen, in the exercise of their legal rights, may agree to enter into an arrangement for working conditions and rates of pay, and where such conditions are satisfactory to both parties the workmen say: "We would like to co-operate with our employers and help them to the extent of enabling them to advertise the product which we manufacture in their factories. Such action is perfectly fair to them and to us, as well as to the public, who may thus know that the goods they are purchasing are made under sanitary and fair conditions, and by workmen who are reasonably treated."

I agree with my honourable friend from Inkerman (Hon. Smeaton White) that many employers in open shops treat their employees quite as generously as as do those in some union shops. I am willing to declare that I believe the honourable gentleman is one of those who follow the example of Henry Ford by paying the best of wages, and working a plant that is one of the finest in the country, under the very best sanitary conditions.

Hon. Mr. BUREAU: There is one word of which I would like to know the real meaning;

that is the word "regulating" in the first section in line 10. The language is:

(c) "Labour union" or "union" means any organization of employees engaged in the manufacture or production of goods formed for the purpose of regulating the relations between employers and employees.

Hon. Mr. ROBERTSON: Yes, regulating those relations. This Bill purports to go to the very root of the relations between employers and employees through their organized representatives.

Hon. Mr. BUREAU: But this defines what a labour union is, and Parliament approves of this definition by passing this Bill. If it is only the definition of the labour union—

Hon. Mr. ROBERSTON: Yes, that is merely the definition clause. Now, some exception is taken to the propriety of giving these two interests a free hand, by affording liberty of action on the part of both to do what this Bill enables them to do. Why is it necessary or desirable that that should be done? Because these workmen engaged in various industries, of which there are four particularly affected—clothing workers, boot and shoe workers, cigar makers, and printers, have had past experience that makes this legislation desirable.

The clothing workers, or garment workers, as they are commonly known, number many thousands. For the most part they are organized, and they have contracts with many employers, but there are numerous other employers manufacturing clothing who do not engage union labour and have no contracts with their work people, and therefore impose upon them conditions that are unsanitary and unfair, and goods manufactured under those unfair and unsanitary conditions are upon the shelves of stores for you and me to purchase, under a misrepresentation of the facts.

Hon. SMEATON WHITE: Does not the Factory Act of a province regulate what the honourable gentleman is speaking about? Those Factory Acts insist on sanitary conditions, and on a great many things that governments did not interfere with a few years ago.

Hon. Mr. ROBERTSON: If my honourable friend refers to factory inspection, that is very true, but in the clothing industry there is much clothing that is not made in factories at all, and therefore no factory inspectors ever sees the premises where it is manufactured. I have in mind—

Hon. Mr. CALDER: But that is a matter that is under the control of the provinces. A province may pass a law to prohibit what is ordinarily called a sweat-shop, and I presume that many provinces have done so. So far as I know there is nothing in the way of a sweat-shop in our own province of Saskatchewan. My point is that so far as the regulation of conditions of labour is concerned, that is a provincial matter. My question is whether or not this legislation would necessarily cover that. I ask, if the province, which has power, should not regulate that matter, rather, than that such legislation as this should be passed.

Hon. Mr. ROBERTSON: The provinces should and do regulate factory inspection, but where goods are produced in places other than factories, apparently the province has not jurisdiction, or does not exercise any.

Hon. Mr. CALDER: But it has power to do so.

Hon. Mr. ROBERTSON: But in such cases goods made under unsanitary conditions have had labels placed upon them indicating that they were made under conditions other than those which really existed. Therefore these trade unions say: "That is not fair to us; that is a misrepresentation of the facts; and it is not fair to the employer who manufacturers such goods under sanitary conditions and pays reasonable wages." So the workmen and employers, finding their interests common, have got together and approved this legislation.

It may be asked, "Why not take action against a manufacturer who abuses the use of the label, who uses it dishonestly and improperly?" Well, the trouble is that there is no penalty for such conduct. I assume that it is a legal principle that if there is nothing in the law to prevent the doing of a thing, it is permissible. The manufacturer is protected by the registration of his trade mark; the purchaser knows that the goods were made by that manufacturer, and in the plant indicated; and the demand for those goods will grow or decline according to their merit or demerit. If it is proper and right that a manufacturer should have such protection, surely the workmen, of whom there are a million in Canada, should have a similar right; and all that they ask is to be given the same consideration with reference to the union label as the manufacturer enjoys in connection with his trade mark.

The manufacturers and workmen come along and frankly say to Parliament: "We jointly ask you to do this, because it is in the interests of us both, and for the promotion of industrial business in Canada. More than that, it is for the protection of public

health." For example, take the making of cigars. They are made in all sorts of places in this country, and if honourable gentlemen saw some of the places they would never want to smoke again. But if the manufacturing is done in an up-to-date factory, well lighted and well ventilated, where the men are inspected every day and required to keep their hands, bodies and clothes immaculate, and have medical inspection, etc., the man who puts a cigar into his mouth knows he has an article which he may safely use. Under this legislation any manufacturer who puts a union label on a cigar that is not made under fair conditions brings himself within the law, and his conduct can be corrected. At present that cannot be done.

The same argument applies to the clothing industry. What has happened here within the last two years? Thousands and thousands of garments have been smuggled into this country without payment of duty, and we happen to know that some of them found their way into the hands of dealers in Montreal who were not manufacturers, and the union label was attached to those garments, which were sold as goods made in Canada under union conditions. I am informed that those goods were actually made in United States prisons. Yet no redress was possible, because the law did not prohibit such conduct, and no penalty could be imposed upon those who so acted.

Hon. Mr. CALDER: Suppose a manufacturer gets in smuggled goods and in his back shop puts on trade labels just the same as are provided for here. This legislation would never prevent that sort of thing.

Hon. Mr. ROBERTSON: But he can be corrected for doing so, if this legislation passes.

Hon. Mr. CALDER: How can he?

Hon. Mr. ROBERTSON: The Bill clearly states how that can be done. Now, without wearying the House further, I hold that this legislation is in the public interest, that it will promote industrial peace, and protect the honest manufacturer and the honest workman. It is also a protection to public health, and a benefit of the public in so far as they care to interest themselves in the subject, and it can do no evil. If it should be found, five years hence, or at any time, that abuses have been created, or that through some weakness in the Act abuses not contemplated occur, Parliament can always amend the Act; but so long as there is nothing on the statute book to remedy present conditions, dishonesty and misrepresentation will continue, and men will be smoking cigars and their children wearing coats made under conditions that would cause the people to shudder if they knew the facts.

I sincerely hope that Parliament will endorse the principle of this Bill and permit it to become law.

Hon. Mr. MACDONELL: The honourable gentleman who has just spoken says that this legislation is in the interest of labour. I believe that thousands of women are doing piecework in their homes, and I would like to ask if this legislation would cut those poor creatures out of work.

Hon. Mr. ROBERTSON: No; certainly not; it cannot interfere in any way with their work.

Hon. Mr. MACDONELL: But if those workers do not belong to the union how can they get work?

Hon. Mr. ROBERTSON: The Bill does not affect their work. All it does is to prevent the man who pays them starvation wages from putting the union label on those goods after they are made, and thus saying to you and me: "Here are goods made under sanitary conditions, in union shops, and they are worth more on account of that fact." But the Bill does not protect those women at all, I am sorry to say.

Hon. Mr. MACDONELL: But if they do not work under the union how can they get the benefit from this legislation?

Hon. Mr. ROBERTSON: It does not affect any manufacturer unless he agrees to its terms.

Hon. SMEATON WHITE: The honourable gentleman said that there were over a million men affected by this legislation.

Hon. Mr. ROBERTSON: In Canada.

Hon. Mr. WHITE: I would like to ask how many in those large unions connected with the industries he mentioned would be affected by the affixing of the union label.

Hon. Mr. ROBERTSON: If I undertook to give the numbers without looking up the record, it would be a mere guess, but they will run into thousands, probably a couple of scores of thousands; and it would be in the interest of the people to protect the standard of goods that are under discussion.

Hon. J. A. CALDER: While I fully agree with 95 per cent of what has been said in this discussion as to the desirability of co-operation between capital and labour, employer and employee, that does not help me to determine the merits of this Bill. I favour anything that would promote industrial peace in this country, but the discussion has not

thrown any light upon the effect of this legislation, and that is the one thing that concerns me at the present time. We must vote on the principle of this Bill, and we should know what we are doing, but I confess frankly that I do not know.

The honourable leader of the House says that this proposed legislation has been before Parliament for twenty or thirty years, and he tells us that he once voted against the principle of the Bill. My honourable friend who has just spoken (Hon. G. D. Robertson) was Minister of Labour for five or six years, and though he had this Bill before him for that period, he never thought fit to bring it before Parliament.

My point is that before we vote on the second reading of this Bill we should know what we are doing, and what the possible effects of this legislation may be. It has been said to us to-night that representatives of the Manufacturers' Association and leaders of labour in this country sat down together and agreed upon a draft Bill which never came to Parliament. I would like to see that draft Bill. It has also been intimated to me that during the past few days the manufacturers and the labour representatives have agreed; but it is a very curious thing that within five minutes of the opening of this House I met in the corridor a representative from the Manufacturers' Association of Canada who told me that he was opposed to the Bill. I have those contradictory statements, and I really do not know where I stand. I do not know even the name of the gentleman who spoke to me, but he represents the Manufacturers' Association, and he tells me that they are opposed to this legislation.

I think that if we referred this Bill to a Committee we could ascertain what the real situation is, and I think we might come to a unanimous conclusion in reference to the Bill. My suggestion is that we give this Bill, which is a very important one, its second reading without endorsing the principle at all, and then let it go to Committee, where we can have the interested parties on both sides before us, and I am quite sure that within a day, we can determine the merits of the question and decide what should be done. We are only wasting time considering it now. Let us give the Bill the second reading without committing ourselves to the principle of it, and then send it to Committee; and when it comes back we shall be able to vote upon it intelligently.

Hon. C. P. BEAUBIEN: Honourable gentlemen, before deciding what should be done with this Bill, we ought to know a little more of the past history of legislation of this kind. I am sorry that the honourable Leader on the other side did not take us a little more into his confidence and tell us what has happened in this House in regard to this matter. This very Bill has come before the Senate no less than five times. At first, 1895, if I am not mistaken, it was in a very crude form, and would have compelled the proprietors to accept the union label; later that was changed, and it was provided that the labour unions should have the right to register their label and with the consent of the proprietors to place it on the goods; next an attempt was made to tack that provision on the Trade Mark and Design Act; then it was detached from that and came in separately; and finally it was to apply only to incorporated unions. Every time this House rejected the Bill.

Now, honourable gentlemen, before giving my reasons why these numerous precedents should be followed, I will ask you to bear with me while I endeavour to show how the action of the Senate was received by the labour unions. I quote from the report of the proceedings of the Labour Congress for 1901:

> The subject of securing Union Label Legislation through the Dominion Parliament having, at the Ottawa session of the Congress, been relegated to the Toronto Trades and Labor Council, that organization, through a special Committee, composed of Mr. Robert Glockling, Mr. William Henderson and Mr. D. J. O'Donohue, prepared a Bill (being a copy of a Bill which that body succeeded in having approved by the House of Commons at two sessions of the previous Parliament, but which met rejection in the Senate on each occasion), which was courteously taken charge of by Hon. Senator Wm. Templeman, of Victoria, B.C., and who introduced it in the Senate on the 17th of last March. It received a second reading on April 17th, and was referred to the Committee on Banking and Commerce. That Committee dealt with the Bill on the morning of April 19th. In accordance with the direction of your body the Executive, represented by your President and Mr. A. W. Puttee, both being members of the House of Commons, were present when the Bill in question was before the Senate Committee and gave it their warmest and most earnest support. Nevertheless, the Bill was most unanimously thrown out. This rejection was not because of demerit in the Bill itself, but wholly because of bitter and unjustifiable prejudice, as well as hostility to organized labor and anything savoring of advantage to the working elements of Canada governing the members of the Senate Committee referred to. It is to be hoped that effort will not cease until the legislation in question is secured.

Hon. Mr. ROBERTSON: Would my honourable friend tell us what he is reading from? I did not catch it.

Hon. Mr. BEAUBIEN: From the official report of the proceedings of the Trades and

Labour Congress of 1901. My purpose in reading this report is twofold: I desire to approach this subject with a judicial mind, and I do not want the labour people throughout the country to have any excuse for thinking that this House is actuated by any other sentiment than that of perfect fairness.

With your permission I will read to you from Hansard a brief history of the union label—what it is, where it came from, what it has done, and what it is doing now. I commend this to honourable gentlemen on the other side of the House, inasmuch as the Bill before us is a Government measure. I quote from a speech made by honourable Mr. McMullen in 1905, which was, I believe the last time this measure came before the House.

...we had this bill before parliament two years ago, I think, when we gave it very full consideration. Every opportunity was afforded to discuss the provisions of the Bill, and after careful consideration and discussion, it was rejected by this chamber. In my humble opinion, Canada cannot afford to transplant into our soil vicious measures of this kind. This legislation has its origin in the United States, which was the first country in which any Act of this character was ever brought into force. It was adopted in 1874 for the purpose of enabling manufacturers of cigars in San Francisco to distinctly draw the line between cigars that were manufactured by white labour and cigars manufactured by Chinese. They employed the label to designate the cigars that were manufactured by white labour, and any that were not so labelled were thereby known to be the manufacture of Chinese labour and were boycotted. They commenced with that, and they succeeded fairly well. The next thing they undertook was to apply the principle to the hatters of the United States. There were about 58 or 60 hat manufacturers in the United States and the Union of Hat Manufacturers commenced to unionize every factory. They went so far as to unionize 46 or 48 factories, and then they addressed circulars to the remaining hat manufacturers in the United States demanding, virtually, the right to unionize the labour in their factories. Some of the employers refused, and were immediately boycotted. Circulars were sent out to all wholesale and retail dealers in hats in the United States, telling them that these hat manufacturers had refused to come into the union and to give their artisans reasonable and proper wages, that some of them were utilizing apprentices who had only been in their employ for a year, to do skilled men's work; and they went so far as to boycott several dealers. The unions in the United States publish a journal, which has a very large circulation, the "American Federationist", as it is called. That journal publishes each week and each month the names of all manufacturers who will not consent to bring their factories under the operation of union labour. Every manufacturer receives that paper, and of course carefully reads it, and there he finds the names of all the shops which will not consent to unionize their institutions.

All those who sympathise with union labour are desired to boycott those shops and to boycott every shop that handles their goods. A firm in Danbury, D.K. Loy & Co. was successfully boycotted in this way in connection with the manufacture of hats. The firm employed about 230 men and manufactured about 400,000 hats per year. They were one of the twelve who refused to unionize their factory, saying that they wanted the opportunity of employing free labour wherever they could get it. The result what that the unions made an effort to stop the sale of goods manufactured by those people, and they did. The firm was compelled to take action, and they issued a writ, and named in that writ every member of the union in Danbury. There was a number of hat manufacturers there who had become members of the union, and a committee was appointed to take charge of the matter. In the writ which was issued they mentioned 400 or 500 men who were the owners of property, in order to prevent the transfer of that property until such time as this question was settled. The case was fought out in the law courts most bitterly and determinedly. The result was that, having the power of the whole labour union of the United States opposed to them, that firm was ruined, simply because they would not consent to have their establishment brought into the union in the way proposed.

That, honourable gentlemen, will give you some idea of the object of this Bill. It is absolutely foreign to the purpose of the Trade Mark and Design Act. What is the aim of that Act? Briefly, it is to provide for the better protection of the proprietary interest in goods; special goods, for instance, as Gillette razors or all goods produced by a manufacturer, as Sheffield cutlery. The whole purpose of the trade mark is to announce a proprietary interest in the goods manufactured. But what is the purpose of this Bill? Quite the contrary. It provides for the registration of a label to be used on the goods belonging to hundreds of individual manufacturers, and its effect will be, not in favour of the goods marked, but against goods that are not so marked. In other words, it makes for discrimination. In the past the labour unions have argued that goods that did not bear the union label were the product of sweat shops. So it is quite apparent that the principle of the Bill is not in accord with, but is opposed to, the principle of the Act it would amend. As I have said, the use of the label is intended not for the protection of the goods which bear it, but rather for the purpose of discriminating against goods which do not bear it.

Even so, is this legislation necessary? The Bill provides that the label shall not be placed upon any goods without the consent of the proprietor or manufacturer. I ask you, honourable gentlemen, not only those of you who are lawyers, but those also who are business men, is it not obvious that this legislation is quite unnecessary if the proprietor consents? If a man produces goods that are

union-made, what is there to prevent him from stating that fact? Nobody will dispute his right to do so. If he is entitled to do so, what prevents him exercising that right through the labour he employs?

The only argument I have heard that seems to have any merit is this. It is said: "This union label is ours, and we ought to be protected against the use of it by people who have no right to use it." But I ask you, honourable gentlemen, has there been any need for such protection up to the present time? I thought the honourable member from Welland (Hon. Mr. Robertson) would refer to the Jacobs case. Everybody knows that the need for legislation is usually apparent for a long time before a measure is introduced. It is indicated by numerous cases coming before the courts. How many cases do you think have occurred in this country? I know of but one. And how was that case treated? Surely the Government, in presenting this Bill, must have come to the conclusion that the labour unions have been very unfortunate. Disabuse your minds of any such ideas. A clothes manufacturer in Montreal by the name of Jabobs decided to apply to the Department of Agriculture here in Ottawa for the registration of a trade mark resembling the union label. He was turned down—registration was refused him. What did he do? He submitted his complaint to the Exchequer Court and asked for an order from that Court to compel the Department of Agriculture to register his mark.

Hon. Mr. CALDER: A mark that resembled the union label?

Hon. Mr. BEAUBIEN: Yes; that he claimed to be his own mark, but which resembled very closely the union label.

Hon. Mr. DANDURAND: The clasped hands.

Hon. Mr. BEAUBIEN: Yes. Now let me read to you the judgment in that case, which is reported in the Dominion Law Reports. Of course the first objection that came to the mind of Jacobs, in presenting the case, was this: "The labour unions? Who are they? Have they a right to appear before a tribunal? Are they a 'person'? Have they a corporate existence"? That is a serious question. As you know, the labour unions in this country are not like those in England, which have been forced to become incorporated. Here they are in the most extraordinary and advantageous position that whenever they are attacked they can vanish into thin air. They have no corporate existence. You cannot take action against them, any more than you can against the cloud that rains on you.

Hon. Mr. ROBERTSON: Use an umbrella.

Hon. Mr. BEAUBIEN: On that point what did the Exchequer Court say?

Hon. Mr. DANDURAND: The honourable gentleman has omitted to state that the union intervened in the Exchequer Court.

Hon. Mr. BEAUBIEN: I am sorry. I thought I had said that.

Hon. Mr. DANDURAND: No. I know of the case, and I mention this for the information of my honourable colleagues.

Hon. Mr. BEAUBIEN: I thought I had made myself clear, but perhaps I have not. Jacobs took action before the Exchequer Court to compel the Department of Agriculture to register his label or trade mark, which closely resembled that of the union, with the two clasped hands. The labour union intervened in the case and contested Jacobs' right to have his label registered. Here is the judgment.

Mark Jacobs, trading in Montreal as a manufacturer of overalls under the name of Union Overall Manufacturing Company of Canada, having been refused registration of a mark or label consisting of two clasped hands, filed a petition in the Exchequer Court asking for an order of the Court directing such registration.

The United Garment Workers of America filed a statement of objections to the petition alleging that in 1891 they had adopted the clasped hands label as the distinguishing mark of their Union.

The petitioner then obtained an order setting the case down for argument on the points of law:

(1) Whether Bush, the duly authorized representative of the United Garment Workers, was a person entitled to appear and file a statement of objections;

Honourable gentlemen will notice that this refers, not to the trade union, which has no corporate existence, but to one of its officers.

(2) Whether the use of the label of the said association is such as entitled it to object to the registration of the mark in question by the petitioner; and

(3) Whether the facts set out in the statement of objections constituted any answer to the prayer of the petitioner.

Held, MacLean J.

It is no answer to the objections of this voluntary association or Trade Union to say that they have as a body no legal right to register as a trade mark the label used by them in connection with their various activities. That might well be the case, but it does not derogate from their right to oppose the registration of their label as a trade mark by the petitioner.

Therefore it has been decided by the court that if anybody without authority attempts to register the union label, although the unions have absolutely no corporate entity, they can protect themselves. Suppose that, either by a trade mark of otherwise, a manufacturer tried to create in the public mind the false impression that his goods were made by union labour. Is there a remedy? If there were not, there might be some semblance of right on the part of the trade unions to register their label. What does the Criminal Code declare? It is very plain. It says:

> Every one is guilty of an indictable offence who sells or exposes, or has in his possession, for sale, or any purpose of trade or manufacture, any goods or things to which any forged trade mark or false trade description—

Please note those words—

> —is applied, or to which any trade mark, or mark so nearly resembling a trade mark as to be calculated to deceive, is falsely applied, as the case may be, unless he proves...

So it is an offence to apply a false trade description. Now what is a false trade description? Another section of the Criminal Code, section 335 (t), says that a "trade description" means any description, statement or other indication, direct or indirect. Let me cite a case that has been decided under that section. The defendants sold machine-made cigarettes in packets labelled, "Guaranteed hand-made by experienced workmen", their price being a half-penny per packet less than cigarettes of the same quality made by hand. The quality of tobacco, paper, starch, etc., used in the manufacture of these machine-made cigarettes was the same as in the case of hand-made cigarettes, and their construction was as proper. It was held that the label was a false trade description in a material respect, and that the doctrine of equivalents—that the article sold under the false description was as good as that asked for by the purchaser—was inapplicable.

Could there be a case more to the point? There is a man who advertises his cigarettes as hand-made. Somebody makes a complaint and he is brought before the court under this section of the Criminal Code. He says: "Yes, it is true, your Honour, that my cigarettes are machine-made. But what damage has the purchaser suffered? I have established before the court that my goods are equal in every respect to the hand-made goods." What does the judge say? "That is no defence. You have given a false description. Therefore you must be convicted." How can it be asserted, then, that the section does not protect the union against a false description used by any manufacturer who advertises that his goods are union-made when they are not?

Therefore I contend, in the first place, that since the proprietor's consent is required before the label may be used, no legislative intervention is needed; what the Bill asks for can be done now. Secondly, there is a remedy available under the civil law. Recourse may be had to the Exchequer Court. If you are not satisfied you may go before the Criminal Court. What more do you want?

But, honourable gentlemen, let me ask in conclusion, what is the true meaning of this legislation? It is simply this. As everybody knows, a conflict has been raging for years between the open shop and the closed shop. This legislation, demanded by the unions, is to be used as a weapon. I have demonstrated, I think, that it is not a weapon of defence. What is it, then? It is one of the cruelest and most powerful weapons of aggression. It has been used as such, and with the sanction of Parliament it will continue to be so used. Are you going to allow that?

Let us pause a moment before giving consent. In years gone by—but they are very remote now—it used to be considered chivalrous to stand between the toilers and their oppressors. Times have changed. Apparently it takes no small degree of moral courage now to stand before the unionized workers and demand an equal measure of liberty and justice for all the other classes in the land. That is the truth. Do you think for one moment that manufacturers, scientists, professional men, or even ordinary workers outside the labour unions, would be heard if they asked for legislation like this? Can a trade mark at present be registered except by a person? You must be able to offer a guarantee of your own responsibility, or that of your partner, or a corporation of which you are a member. Try to register a trade mark otherwise and you will see that it cannot be done. Why? Because it is only fair that the person who is granted a right should also accept responsibility, and responsibility can be borne only by a person or a corporation. What is proposed in the present Bill? You are going to make an exception and grant a privilege that no other class in the land can obtain; you are going to grant this privilege to the greatest organized force in the country. They would make use of the privilege, but when it came to meeting their responsibilities they would vanish into thin air. Is it necessary to cite examples? My own experience in this respect has been very unfortunate. I have seen labour unions tear up their contracts. Honourable gentlemen will remember the discussion that took place in this House with regard to the Miners' Union of Cape Breton repudiating their contract, sacrificing the mines, setting

fire and blowing up stores. What responsibility can be attached to such men? Who can be sued for damages?

My honourable friend from Welland says that a request for legislation of this kind was received favourably in Great Britain. But are the trades unions in Great Britain not incorporated? Were they not obliged to assume responsibility when they asked for certain rights?

The question, honourable gentlemen, is whether or not we are going to create a privileged class. That is the real issue. Are we going to intervene in the warfare between the open shop and free labour on the one hand, and on the other the closed shop, controlled by the iron hand of the trade union, dictating not only to the proprietor, but also to the men who work. The union insists upon the same treatment for the man who does not deserve his pay as for the man who does deserves it. In that way it destroys all ambition in the workers. Are we going to allow the unions to force the great majority of workers in this country into their organizations? That is the question. Compulsion is the offensive weapon that has been used most effectively up to the present. I say that we in this House, at all events, ought to be above any influence, even the powerful influence of organized labour, that would prevent justice being done. Let us see to it that a fair measure of protection is given on both sides. Manufacturers, or capitalists, if you will, have to comply with certain conditions if they would register their trade marks, and they must assume certain responsibilities. Why should we not require that the labour unions be treated likewise? I have heard no answer to that question, and until I do I must follow in the footsteps of my predecessors in this House who have done their best to mete out justice to both sides. Their action was interpreted as oppression, I am sorry to say, but after reading the discussions that have taken place in this House in five consecutive years I can come to no other conclusion than that my predecessors acted fairly and patriotically. They had the courage to stand between unionized labour and all the other classes of the community.

Hon. J. D. TAYLOR: Honourable gentlemen, I desire to say a few words in favour of this Bill, based on the knowledge and experience of nearly fifty years. I would like to present myself to your imagination as a sample, on the one hand, of this aggressive member of a labour union, and on the other of the patient employer upon whom the aggressive unions are going to thrust so terrible a load.

It has been my privilege to be connected since 1877, for exactly 50 years, with one of the greatest labour unions in the world, one of the strongest in Canada, and I think the one that is a leading mover for this Bill; I refer to the International Typographical Union, including the allied printing trades throughout the whole continent of America. It would be hard to convince any intelligent member of that union that in the Senate of Canada there existed a wrong conception of the ambition which has caused them through more than a quarter of a century to agitate for a Bill of this kind.

If honourable gentlemen will read the Bill they will find within its several sections none of the horrors which have been depicted to us. They will find there nothing but permissive legislation so far as the use of the union label is concerned; and on the statement of these honourable gentlemen themselves the label has been in use for considerably more than 25 years, as our records show. But there has yet to be produced any evidence of the evil results which were stated 25 years ago in this Chamber as being sure to follow from the adoption of the label under protection of law, though we have had it in use during that whole period without legal protection and with no evil results whatever.

Take the case of the International Typographical Union as a sample. They do not take employers by the throat and force them to use a label obnoxious to them. They come in a spirit of negotiation to the proprietors of newspapers, and offer very substantial guarantees of protection to those proprietors. They ask, in return, for a mutual arrangement of satisfactory working conditions, and when the proprietor accepts those he does so with the assurance from the International body itself that he will be absolutely protected against any improper use by the local union of the very great authority which the International confers upon them.

So strongly is that union organized that they are able to compel obedience to their laws and regulations by any member of the union, to keep every member at his work so long as there is any dispute between them and their employers; provided the employers have agreed to accept the arbitration of the International body at their International headquarters. That is a method that is called into effect by leading publishers in Canada nearly every year, and there has yet to be a single instance of any oppression or any ill-feeling in the long-run result in those organizations.

Hon. Mr. BEAUBIEN Will my honourable friend permit me to ask one question?

Hon. Mr. TAYLOR Surely.

Hon. Mr. BEAUBIEN Did my honourable friend not hear some years ago of the trouble arising between the union of which he speaks and printing firms in Quebec, and did he not learn that that trouble had gone so far that the Prime Minister and the Legislature gave this foreign union due notice to amend their ways or he and the entire Legislature would have to intervene?

Hon. Mr. TAYLOR: I think I am much better posted on that than my good friend from Montarville (Hon. Mr. Beaubien). I know all about that case, and I know also that the terrible results which he contemplated, and still has in his mind, did not occur.

Hon. SMEATON WHITE: Why?

Hon. Mr. TAYLOR: Because of the influence of the International Typographical Union in disciplining their own members.

Hon. Mr. WHITE: The Prime Minister had something to say to that. Surely the Prime Minister would cause his views to be made known to the International.

Hon. Mr. TAYLOR: And the International would very soon talk sense to those union members, who would be deprived of their livelihood if they did not obey the orders issued to them by the International tribunal.

Hon. Mr. BEAUBIEN: Is it not a fact that they acted under the menace of the Legislature's intervention?

Hon. Mr. TAYLOR: Well, I am not so familiar with the menace offered by Legislatures in the Province of Quebec as my honourable friend seems to be. Out in British Columbia, where I come from, Legislatures have too much respect for their creators to menace them, and as a former citizen of Quebec I should like to think that the honourable gentleman misrepresents his own Legislature.

Hon. Mr. BEAUBIEN: I think I might, on a point of order, ask my hon. friend to withdraw. I do not think it is at all parliamentary to say of an honourable member of this House that he misrepresents.

Hon. Mr. TAYLOR: Did I say that?

Hon. Mr. BEAUBIEN: I would certainly not attempt to characterize the population of the Province of British Columbia as being ordinary people, and I would certainly allow my honourable friend to treat the people of Quebec as ordinary people, not super-people, who want a Government strong enough to intervene, when the time comes, to prevent industry from being choked by foreign unions.

Hon. Mr. TAYLOR: I think I said that I hoped the honourable gentleman from Montarville had misrepresented the Legislature. Of course, I did not mean that in an offensive sense: what I meant was that I hoped his statement was not quite correct. I would not think that the Legislature of the Province of Quebec would be a menace to the citizens of the Province in that way.

Hon. SMEATON WHITE: I think the honourable member was speaking about the officers of the International, not about the citizens of the Province of Quebec. He was referring to the International, and those negotiations were being carried on by gentlemen of a foreign nation.

Hon. Mr. TAYLOR: If he meant the International, the Legislature had even more courage than I thought, because the International is a very powerful body; and although the high officials at that time may have been of a foreign nation, yet the office of president of that International Union is open to any Canadian quite as much as to any citizen of the United States. The fact that the officers for the time being were chosen from the United States has no significance, except that the larger body of that union would be in the larger country; but time and time again Canadians have held very high office in that union, and I think the present secretary is a Canadian from our Vankleek Hill. Up till a very short time ago that was the case, for I met the gentleman, and we had a long conversation about his experience as a boy at Vankleek Hill. So much for the foreign rule of the International Typographical Union.

Now, to get back to this Bill, it only proposes to put under authority something that is going on now without any protection in law. I would like to suggest to this Senate that if we had no other reason for legalizing something of this kind, that has gone on so long without the desired authority, we should be moved by the fact that this legislation is asked for by about one million citizens of Canada. I think that is the figure stated tonight as the number of members of the various unions interested in this legislation.

Hon. Mr. ROBERTSON: I think that is correct.

Hon. Mr. TAYLOR: Let the number be what it may, they are certainly in the tens of thousands; and when tens of thousands of

responsible citizens come petitioning Parliament for something so innocent as this Bill, as a member of this honourable body I sincerely hope that the Senate will show that it has progressed from the stage of fear and doubt as evidenced in the records of 25 years ago, and that it will prove to the public that it has marched with the times, and has recognized that something which was thought of a quarter of a century ago as a menace to manufacturing prosperity in Canada has turned out to be greatly for the benefit of this country.

I have had experience as a working printer, a member of the Typographical Union, and also experience as a proprietor making agreements with that union, and protected by them. My experience is that there is nothing but benefit to be secured to the printing trade in Canada from an organization so strong and so intelligently directed as that of the printing and allied trades. I speak of them particularly, not because they are better than any other trades, but because I speak of that which I know. There are other trades of very high intelligence, as mentioned by the honourable gentleman from Welland (Hon. Mr. Robertson), that are particularly interested in this Bill. I feel satisfied that if we give them the protection which they ask, and which is given to trade marks generally in Canada, in order to make their union label respected, and prevent poaching upon it, we shall do a great deal to raise respect for the Senate in the minds of a very large body of people in Canada. As a Senator, I should value very highly any increase in the high respect in which the Senate has been held.

Hon. Mr. HUGHES: Could the honourable member state briefly what objections the labour unions have to becoming incorporated and assuming responsibilities as well as obtaining privileges?

Hon. Mr. TAYLOR: I think that question does not arise now.

Hon. Mr. HUGHES: No, not exactly, but I ask it for the sake of general information.

Hon. Mr. TAYLOR: I would not like to start on so large a subject as that now.

Hon. W. B. ROSS: I was going to suggest to the honourable leader of the Government that we might send this Bill to the Committee on Banking and Commerce, after taking the second reading without affirming the principle, and give it one day in the Committee, and then bring it back.

Hon. Mr. DANDURAND: Well, of course I would not like the members of this Chamber who adhere to the principle to be deprived of the advantage of stating their faith. We may pass the second reading with the understanding that the principle may again be discussed at the third reading.

Hon. W. B. ROSS: Yes.

Hon. Mr. ROBERTSON: All right.

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

DIVORCE BILLS

FIRST READINGS

Bill D7, an Act for the relief of Amelia Chester,—Hon. Mr. Willoughby.

Bill E7, an Act for the relief of Elsie Adams.—Hon. Mr. Willoughby.

Bill F7, an Act for the relief of Frederick George Elliott.—Hon. Mr. Willoughby.

Bill G7, an Act for the relief of Sidney Alfred Tyers.—Hon. Mr. Willoughby.

Bill H7, an Act for the relief of Margaret Ann Hall.—Hon. Mr. Willoughby.

CUSTOMS BILL

FIRST READING

Bill 172, an Act to amend the Customs Act. —Hon. Mr. Dandurand.

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

THE SENATE

Tuesday, April 5, 1927.

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

Prayers and routine proceedings.

ACCOUNTS OF COLONEL ROBERT INNES

MOTION FOR RETURN

Hon. Mr. PROWSE moved:

That a return do issue for a copy of all accounts submitted to the Government by Colonel Robert Innes, in connection with his visit to India, together with a copy of all telegrams, correspondence and other documents in connection with the same.

The motion was agreed to.

NORTH WEST TERRITORIES BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate again went into Committee on Bill 123, an Act to amend the North West Territories Act.

Hon. Mr. Beaubien in the Chair.

On section 1—export tax on furs:

Hon. Mr. DANDURAND: Honourable gentlemen, I crave the attention of honourable gentlemen to this small Bill, which gave some trouble last week, and which I am again submitting to the Chamber with further information. The subject matter of the Bill is mainly a departmental matter, and affects the revenue of the country. It bears on the levying of an impost in the North West Territories upon furs taken there and exported to points outside the North West Territories, mainly to Europe. The levy will be at exactly the same rate as in Saskatchewan, Alberta, and Manitoba, and it is hoped that it will cover a large part of the expense of the administration of the North West Territories.

I have a memorandum to which I ask honourable gentlemen to listen very carefully, and which I think entitles the Bill to the sympathetic consideration of this Chamber.

Communications were received from the Government of Alberta and British Columbia to the effect that furs seized by those Provinces, for non-payment of royalties, were frequently said to have come from the North West Territories, where there is no fur tax. Attached is a copy of a letter from the Hon. Geo. Hoadley, Minister of Agriculture, in the Alberta Government, addressed to the Hon. Chas. Stewart, Minister of the Interior, asking his co-operation in the collection of his fur taxes by imposing a fur tax in the North West Territories. Mr. Hoadley states that—"As soon as all the Provinces and Territories of Canada provide for a tax on pelts of wild animals, the collection of the tax will be very much simplified for all concerned".

The Department has also received a number of communications from the Chairman of the Conservation Board of British Columbia. He asks that the matter of fur royalties in the North West Territories, be drawn to the attention of the Minister, with a view to bringing the Territories in line with the adjoining Provinces regarding fur taxes. He states further that if the North West Territories have no scale of royalties it would be only fair that they should impose one and that the scale of taxes should be similar to that of the Provinces.

The tax proposed for the North West Territories is similar to that of the western Provvinces. It is estimated that at least 75 per cent of the fur caught or taken in the North West Territories, is bought by the larger companies or corporations and taken outside by them. The Hudson's Bay Co., is the largest exporter. Their fur goes direct to London. Revillon Freres' fur goes to New York or Paris. Liebes Company's fur goes to San Francisco. It is only a few individual trappers whose fur finds its way to Canadian markets. The proportion is relatively small. It seems only fair, therefore, that fur exported from the Territories, and much of it from Canada, should carry a small export tax.

The Government provides a generous service to the residents of the North West Territories, but receives little in return. The following are some of the expenditures:—

1. Splendid mail service—winter and summer.
2. Four wireless stations.
3. Aids to navigation in rivers and lakes.
4. Health officers throughout the Territories.
5. Assistance to schools.
6. Assistance to hospitals.
7. Construction and maintenance of roads.
8. Police protection at all posts in the District.
9. Maintenance of Wood Buffalo Park.
10. A resident staff at Fort Smith to carry on administrative duties.

On all these services the Government is spending money to encourage and foster development, but the return does not meet the expenditures.

The tax on fur would approximate $75,000.00, the first year. This would go a long way to pay for the administration of the Mackenzie District. An export tax is imposed by the Yukon Territory, and every Province but one imposes a royalty, and it is thought that a tax applied to the North West Territories, would be a just and reasonable one.

At present there is no adequate method by which a record can be kept of the quantity of fur taken and shipped out of that country. The levying of an export tax would, for the first time, place in the hands of the Government a means by which proper records could be maintained. It would also have a bearing on the unlawful and illegal killing of fur. The export tax officers will be on the lookout for any fur killed out of season. Offenders would not be permitted to export it and would be made to answer for breaches of the law in this respect.

When the statement is made that nobody wears fur in the North West Territories, it is made without a knowledge of the facts. There may not be so much fur worn in the vicinity of the more settled parts of the North West where trading posts are readily accessible, but in the more remote parts, fur is the sole and only article of clothing even in the summer time. There are vast areas in the North West Territories not adjacent to the more settled Mackenzie River District. They include Baffin Island and the other Islands in the North. In these areas fur is worn both winter and summer alike. On this fur there would be no tax. It is only fur exported to other parts of Canada, or to other countries that the export tax would apply.

Criticism of the Bill has been made that the tax will fall on the trapper. This has not been the experience of the Department. Along the Mackenzie Valley for instance, where several companies are represented and where free traders also operate, the prices paid, quite frequently equal or exceed the market value and the trader can always depend upon getting quite as much as his furs are worth. On the other hand, in any locality where there is no opposition, the trader will get possibly 20 per cent of the real value of the fur. To illustrate—at Fort Good Hope, on the Mackenzie, where there is plenty or rivalry between buyers, a batch of 30 white foxes brought $990.00 cash, which is slightly more than they brought later in Montreal. In Cumberland Gulf, Baffin Island, during the same year (1922) white fox pelts purchased for one gallon of molasses and one pound of tea, or something less than $1.00. During the past year the Baffin's Land posts, which have no opposition, paid $8.00 in trade for a

white fox, which is about $3.00 cash, while at Fort Harrison, on the east coast of Hudson's Bay, where two companies operate, $40.00 in trade was being paid for the same skin. The value of the fur does not determine the price to be paid. To-day the Eskimo on Baffin Island secure practically the same grand total for their catch whether large or small. 1922-23 was a very good year, while the next year was a poor one, but the natives were in no way better off as a result of the big catch. Under the present condition of trade a tax on fur would undoubtedly be carried by the companies rather than the trader. After a careful study of the situation, extending over a period of years, this is the conclusion arrived at by Departmental Officers.

The argument is made that the amount to be collected—from $75,000.00 to $100,000.00 annually, is too small to warrant putting the tax into effect. At the present time the North West Territories, is administered at a loss. If the Department is empowered to impose an export tax it will go a long way toward paying for its administration. The tax itself will cost very little to administer. Government officers already in that country will be utilized to collect it. This is the only method by which the revenue can be increased.

I do not know that I need read the letter of the Hon. Mr. Hoadley, and the two letters of Mr. Jackson of the Conservation Commission of British Columbia. If any honourable gentleman desires me to do so, I am quite willing to accede to his request.

Hon. Mr. ROBERTSON: You might put them on the record.

Hon. Mr. DANDURAND: Certainly. I will put them on the record:

Minister of Agriculture,
Alberta.
Edmonton, January 31, 1923.

Hon. Chas. Stewart,
Minister of the Interior,
Ottawa, Ont.

Dear Mr. Stewart:

I am taking the liberty of bringing to your notice a situation which exists in this Province with respect to the collection of a tax on the pelts of wild animals. The amendments to the Game Act of 1920 made provision for the collection of a tax on the pelts of wild animals taken in the Province of Alberta. This source of revenue had not been previously exploited although it was the only resource over which the Province had control. This, with other sources of revenue under the Game Act, was for the year 1922 upwards of $84,000. We feel however, that the Province is not receiving the tax on all the pelts taken within the Province. This, to some extent, is due to the fact that pelts have been brought into Alberta from Saskatchewan and the North West Territories, exemption from payment of the tax on such pelts has been granted. It is believed that Alberta pelts have been taken into the Province of Saskatchewan and possibly the Territories, and returned as pelts from Saskatchewan and the North West Territories. The Saskatchewan Government has now provided for a tax which simplifies the matter very much with respect to Saskatchewan pelts, but the situation still remains the same with respect to the pelts being brought in from the Territories and more particularly the MacKenzie District.

As the great majority of the fur from the MacKenzie District passes through Edmonton, this Department is prepared to coöperate with your Department in every way to the advantage of both, if you are proposing to provide for a tax on the pelts of wild animals taken in the North West Territories.

As soon as all the Provinces and Territories of Canada provide for a tax on the pelts of wild animals, the collection of the tax will be very much simplified for all concerned.

Thanking you in anticipation, I am,

Yours respectfully,
(Signed) George Hoadley,
Minister of Agriculture.

2749

Game Conservation Board,
Victoria, B.C.,
1st February, 1927.

O. S. Finnie, Esq.,
Director, Northwest Territories and Yukon,
Ottawa.

Dear Mr. Finnie:

I should like to refer back to your letter of 31st July last, and suggest that this matter of fur royalties in the Northwest Territories be drawn to the attention of the Department with a view, if possible, to having provision made so as to bring the Territories in line with our adjoining provinces and Alaska.

Yours faithfully,
(Signed) M. B. Jackson,
Chairman.

150224

Game Conservation Board,
Victoria, B.C.,
15th July, 1926.

J. B. Harkin, Esq.,
Commissioner, Canadian National Parks,
Ottawa.

Dear Mr. Harkin:

I am told that the Northwest Territories do not collect royalties on furs. My impression was that they did, and that their scale of royalties was uniform with that of British Columbia and the other Provinces.

You probably know that as a result of interprovincial conferences on game matters we have for some years adopted a uniform scale of royalties on fur, and I find after consultation with Alaska that their scale is identical or approximately so. There is strong reason for having uniformity of royalties inasmuch as were any one to reduce the royalty on any particular fur, the temptation immediately arises to take fur illicitly from adjoining territory into the jurisdiction where the lower royalty obtains and thus glean the unlawful profit of the difference. This works an injustice to the province of origin, and encourages lawlessness. The situation is more aggravated of course if no royalty is collected, and redounds to no benefit in point of revenue, but defrauds the Province of origin.

I do not quite know who is the proper person to address in this connection, but perhaps you will be able to handle the situation for me,

and impress the views of our Board and Province that if the Northwest Territories have no scale of royalties, it would appear to be only fair that they should impose one, and that the same should be similar to that of the Provinces.

Yours faithfully,

(Signed) M. B. Jackson,
Chairman.

Now, honourable gentlemen, the Dominion Government administers the North West Territory. It also administers the Yukon. through a Commissioner. The Yukon already has a similar tax. The three Western Provinces—in fact, including British Columbia, the four of them—have such a tax, and when they are interested in having this tax extended beyond their borders to the north, I am at a loss to understand why we should not make this levy. Large corporations have enriched themselves immensely by this trade. We have not heard any protest from them against the payment of so much per pelt.

Hon. Mr. POPE: I would like to know upon what principle we are asked to impose taxation upon a section of the population that has no representation?

Hon. Mr. DANDURAND: I may answer my friend very candidly, that representation is worth asking for, but that I have not as yet heard any voice from the North West asking for that representation. Would it not be time enough to answer that question when there is some request or demand from the population in that Territory? I believe that the vast majority of the population is composed of Indians and Eskimos, who have not yet developed a sufficient knowledge of the functions of parliamentary institutions to avail themselves of representation; but when they do, or when the North West Territory is more thickly populated by the people who are going in there from the South, I shall rely upon the support of my honourable friend in asking that the Territory be organized into a Province.

Hon. Mr. POPE: The honourable gentleman says that he has not had any request from that section of the country. Has he ever before attempted to impose a tax on the people there?

Hon. Mr. DANDURAND: Why should the people there protest against a tax that will not affect them? They can utilize all the furs they can wear. It is when the furs are sold to large trading companies that the Government intervenes and says that there shall be a slight levy to help in maintaining order and good government in that part of the country.

Hon. Mr. POPE: Does the honourable gentleman imagine that when the tax is imposed upon those companies they will not deduct it from the price they pay the Indians?

Hon. Mr. DANDURAND: The statement which I read a moment ago goes to show that where there is rivalry between the companies the levying of a small tax of from 25 cents to 75 cents or a dollar per pelt will not affect the price.

Hon. Mr. POPE: I have never yet known of a tax imposed by this Parliament that did not fall upon the individual. Take the stamp tax on cheques, for instance. Do the banks pay that? Certainly not; the individual pays it. These companies will make a sufficient reduction in the prices they offer to compensate themselves for every dollar of tax they have to pay, and the burden will be laid upon a community that has no representation. I seriously object to the imposition of a tax without representation. We do not need to go as far back in history as the tea party that took place in Boston at one time to know the consequences of such action. The same principle is involved here.

Furthermore, the Indian is absolutely irresponsible. The man who deals with him cannot sue him; when he advances him money he has no way of collecting it unless the Indian brings in furs. The companies take a great responsibility in that respect, because they not only have to make allowances for the payments for furs, but also they must have regard to the Indian who is not honest enough to carry out his contract, or who through sickness or for some other reason is not able to pay. The profits that are made —and sometimes they seem large—have to be considered in the light of the fact that these companies are dealing with people who are immune from legal action.

The honourable gentleman has spoken of the Yukon. The Yukon has a representative sitting in Parliament. There are also members of Parliament from the other Provinces the honourable gentleman has mentioned. But this Territory, which far exceeds in area any of the Provinces, has no representation, and I say it is wrong to impose taxation upon the people without giving them representation. It is a vicious principle, and has created great disturbances in the past, and it will cause great disturbances again in the future.

Hon. Mr. ROBERTSON: Honourable gentlemen, may I refer to a point quite apart from that raised by my honourable friend. I still have some difficulty in understanding why it is necessary to impose under this Bill a

duty on furs that go into other Provinces, in view of the statement which has been made that those furs are exported to other markets of the world by the three large companies which have been mentioned, one of which sends them to London, one to Paris, and one to San Francisco. I see no objection whatever to the imposition of some duty on furs exported out of Canada, but I still see difficulty in fixing a duty as between two points in our own country. If those furs are all exported, why is it necessary to impose a duty as between Provinces?

Hon. Mr. DANDURAND: I did not stress the point to-day that it is called an export duty, but it could as well be called a royalty, just as Alberta and Manitoba and Saskatchewan levy a royalty. In order to collect that royalty in the Northwest and not tax the fur that is utilized in those Territories, the Department has felt that it should call it an export duty, as it had the right to do under the constitution, so that all the animals killed, whose furs became a commercial article for sale outside, but only those pelts, would naturally be taxed. That is the reason why the Bill has taken the form of an export duty, although in reality it is a royalty that is levied on the furs that are gathered in that territory.

Hon. Mr. BELCOURT: I want to appeal to the honourable leader of the Government to make this Bill a little more palatable to some of us who do not like it.

Hon. Mr. DANDURAND: The honourable gentleman should say why he does not like it.

Hon. Mr. BELCOURT: I am going to do so, but I have not had a chance as yet. The export duty as between any parts of Canada, even between the Territories and the Provinces, is something which is altogether new. Not only is it new, but it is foreign, and it is opposed in many respects to the policy of the past.

Hon. Mr. DANDURAND: The honourable gentleman is in error, because it is an export duty that is levied in the Yukon Territory.

Hon. Mr. BELCOURT: It is not an export duty.

Hon. Mr. DANDURAND: Yes, it is called that, and it is the same.

Hon. Mr. BELCOURT: I do not care what the label is that has been used in the Yukon Territory; it is a royalty. I do not think that the statute by calling it an export duty, makes it anything but what it is in reality, a royalty.

Hon. Mr. ROBERTSON.

I have no object to imposing a royalty on furs shipped from the Northwest Territories to Europe, or even to other parts of Canada, though I do think that a royalty on goods shipped from the Territories to other parts of Canada should not be imposed. I am willing to accept it, but I want it called a royalty, and not called an export duty, for I think it would be creating a very bad precedent to call it by that name, and it would leave the people under the impression that we are violating, when we are not, one of the cardinal principles upon which Confederation was based—that there should be absolute free trade between one part of Canada and another.

I hope my honourable friend is not going to get very angry with me, though he does not seem willing to take anything from me just now, but I am going to suggest it all the same. The levying of a royalty upon furs consigned from the Territories to any other part of Canada, or to any foreign country, is what I would suggest. I am not going to vote against this, but I suggest this amendment to the good judgment of the honourable leader.

Hon. Mr. POPE: Honourable gentlemen, it is absolutely useless for the honourable gentleman to say he is not going to vote against it. If it is wrong he should vote against it. I do not wonder that the honourable leader of the Government does not pay much attention to what the honourable gentleman says, when he asserts that he is going to vote for what he thinks is wrong.

We must not forget that we are the guardians of those Indians, and though if we are guardians of those who are without any representation at all, we are going to impose a tax upon their revenue. You may talk all about those big organizations that would readily pay the $75,000 or $100,000, but that tax is going to fall back on the children of those of whom we are called guardians. There is not a single principle involved in the application of that royalty, if you like to call it that, or that export duty, if you prefer to call it such, that is not contrary to the principle of self-government in this country.

Hon. Mr. TANNER: Honourable gentlemen, I do not pretend to know anything about the fur business in this Territory, but I want to enter my protest against putting on the statutes of the country a statement that we are imposing a tax on anything exported from one Province to another. I think it is a vicious principle to incorporate in any statute of Canada.

Hon. Mr. CALDER: Honourable gentlemen, we have had a very interesting statement from the leader of the House since our last discussion of this Bill, but he has said nothing in that statement that has caused me to change my view, even though I think the statement has been carefully prepared, and that on the whole it is comparatively correct.

I have two or three objections to this Bill, the chief one being that the imposing of a tax on people in Canada without giving them the right of representation, or without their having representation, is, in my judgment, a very faulty class of legislation.

We must bear in mind that in the Northwest Territories the pepole are not all Eskimos, and they are not all Indians. We have people like ourselves there who are traders. English-speaking people, citizens of this country just as we are. I leave it to the members from the Northwest to bear me out in that statement. In the old days I knew many of those people personally, men who had gone out into the wilds and done trapping, and there are probably a great many more of them to-day than there were 25 or 30 years ago. We must not be carried away with the idea that this is a tax on Eskimos and Indians, and we should consider very carefully the principle of imposing a tax on people who have no representation.

In the second place, there has been nothing said to satisfy me that the incidence of this tax will not fall upon the trader. It is quite true that there are two or three big companies that get a very large proportion of the fur, but there are also a great many independent dealers in that country. I tried to give the House a picture of what took place at the city of Winnipeg at one of those fur sales, and I think I am safe in saying that there were hundreds of independent fur traders interested there; so it is not simply a question of getting this tax from the Hudson's Bay Company or Revillon Freres, but from all those traders who are scattered from Ungava to Alaska.

I claim that if this tax is levied not only will the incidence of the tax fall upon the trapper, but probably the amount reaching the trapper will be double the tax, for that is usually what takes place. If you tax a company it will almost invariably endeavour to pass the tax along to the people with whom it is doing business, and not only to pass it along, but it is usually arranged to pass along probably double the tax. That is what is likely to take place. Hence I doubt the assertion that is made, that this tax will fall upon the large companies that make big money and can afford it. In my view the tax will fall upon the trappers, and mostly on those in the north country.

The amount of money involved, as I stated the other day, is small, and we should remember that we have a vast territory there, full of all kinds of resources, with wonderful potentialities. The chances are that in the course of time the Dominion of Canada will make a great deal of money out of that country. Even though at present the administration of the Northwest Territories costs us so much money, why should we at this stage of the development of the country endeavour by means of such a tax to get a few dollars in order to take care of the cost of administration?

One other point. During the last 15 or 20 years we have had coming to us in Parliament a good many Bills of this kind, and I am inclined to think that one of the main reasons for this Bill is that we have officials in all our Departments who are very anxious to reach out and create new branches. Those officials are endeavouring year after year in every possible way to increase the number of branches and officers, and thus enhance their own importance in the service, and all that sort of thing. I am inclined to think that back of this Bill some person conceived the idea that here was an opportunity to create another branch, on which would follow the appointment of a number more officials.

While we have had a very interesting statement, nothing contained in it has suggested any change in the views which I expressed the other day, and which I am emphasizing now.

Hon. Mr. DANDURAND: Was not the honourable gentleman in the Northwest Territories before 1887?

Hon. Mr. CALDER: Yes.

Hon. Mr. DANDURAND: That is the date at which the Northwest Territories got representation in Parliament.

Hon. W. B. ROSS: Oh no, they had a local council before that.

Hon. Sir ALLEN AYLESWORTH: Honourable gentlemen, I do not wish to discuss the principle of this Bill—if a taxing measure can ever be said to have any principle—but as to the wording of it I should like to make a suggestion. I would submit that this Parliament has a perfect right—not only a right of legal character but of moral character—to tax any commodity whatever which is within our borders. But I feel very great hesitation in considering any measure of taxation which

in so many words professes to impose an export or an import duty on the transportation of goods between different parts of the country. With all deference to anyone's opinion to the contrary, that would seem to me to be a very clear infraction of the prohibition which is imposed by the B. N. A. Act upon the levying of any sort of duty as between one part of Canada and another.

To get over that difficulty, perhaps, but with the hope at any rate of avoiding any question of that character, I would submit to the consideration of honourable gentlemen a change in the wording of this clause; to strike out altogether the present proposed clause and substitute these words:

The levying of a tax upon furs taken within the Territories when such furs are sold or traded to be removed from the Territories.

I beg to move that the present clause be deleted and these words substituted.

Hon. Mr. DANDURAND: Honourable gentlemen, as the amendment only touches upon the form of collection, and removes at the same time the objection to export duty on goods that may go from the Northwest Territories into Canada, I have no objection to accepting that amendment.

Hon. Mr. BELCOURT: My amendment is much more simple, and covers the same ground. My amendment was merely to take out of the Bill the words "export" and "exported" and make it read:

The levying of a tax upon furs shipped from the Territories to any other part of Canada.

It seems to me that is much more simple; it covers all the ground of the other amendment, and I would like my amendment to be put first.

Hon. Mr. GRIESBACH: The difficulty is that the honourable gentlemen who make these proposals do not appear to know the geography of the country. Either one of those amendments would make the tax impossible of collection. I am pointing this out as evidence that we do not know very much about the problems involved. The northern boundaries of the two Provinces, Saskatchewan and Alberta, are the 60th parallel of lattitude, and you would impose your tax there, because that is the point where those Provinces leave the Northwest Territories. Well, there are not any places there; these goods are baled and shipped to Edmonton or to Prince Albert, for those are the only places where you can collect this tax. I have foreseen that for some time.

Hon. Mr. BELCOURT: How does that prevent—

Hon. Sir ALLEN AYLESWORTH.

Hon. Mr. GRIESBACH: If you can do it, all right. It cannot very well be done, having regard to the fact that we travel very largely by rivers there, and there are places where we stop, and we do not stop at other places.

Hon. Mr. CALDER: And there is nobody at the boundary.

Hon. Mr. BELCOURT: They can collect when it reaches the other Provinces. This is export we are dealing with, for 75 per cent goes to Europe.

Hon. Mr. GRIESBACH: I am merely recapitulating what I said the other day. The statement was made that the Territories do not pay any revenue. It is true that they do not pay revenue directly, but there is an increasing business between that country and the rest of Canada owing to the fur trade, and that increase of business is valuable to the country, and it bears its fair share of contribution to the expense of running the country; so it is scarcely fair to say that the country produces no revenue.

Then I draw the attention of the Government to the fact that they are proceeding to legislate in this matter at the motion of a bureaucracy. It can be agreed that under certain circumstances a bureaucracy may give a very excellent form of government, but the advice of a bureaucracy should be carefully investigated before a democratic government takes action, because for its action it must assume responsibility. This is a matter always worthy of consideration.

However, my principal point is this. That country, like all other parts of Canada, is being opened up and developed by a class of person who may be called the pioneer, who makes the greater part of his living by trapping, and who will continue to do that until gradually he becomes an agriculturist. That is the history of the development of the whole of Canada. Following the pioneer, or the trapper, come the missionaries, who get in touch with the natives, open up the country, and bring back information of value for development purposes of all sorts. They have played and are playing a very important part in the development of this country. Those are the class of men upon whom you are putting this tax, and they deserve better at the hands of the people of this country. The pioneer is doing all that the pioneers in the past have done, and he ought not to be hindered or hampered in any way; on the contrary, he ought to be encouraged. I am opposing this tax because I think it is proposed to levy it upon a class of man who is rendering this country valuable service.

Hon. Mr. DANDURAND: Honourable gentlemen, I owe an explanation to my honourable friend the senior member for Ottawa (Hon. Mr. Belcourt) for having shown some impatience at his statement that this Bill was unpalatable to him. I thought that he had voted for the Bill last week, and that then was the time when he should have notified me of any objection on his part, but I find that his displeasure was caused by the expression "export tax". I had not noticed that my honourable friend had suggested a precise amendment. However, when he offered that suggestion I had already accepted the amendment moved by my honourable friend from Toronto.

I desire now to draw the attention of my honourable friend from Saltcoats (Hon. Mr. Calder) to the fact that prior to 1887, and for many years, the people of the Northwest Territories were without representation, but taxes were collected throughout that region.

Hon. Mr. CALDER: No specific tax. There is now a tax on the people of the Northwest Territories in the form of a Customs tax, but, so far as my knowledge goes, the Parliament of Canada never imposed a specific tax on any part of the Northwest Territories before they had representation. It is quite true that imports going into the Northwest Territories in the old days paid their share of taxation.

Hon. Mr. DANDURAND: It seemed to me that we were simply carrying into the Northwest Territories the practice that prevailed to the south and as far west as British Columbia, of levying a royalty upon the fur gathered in each Province. I am still at a loss to understand why, having the responsibility of the government of those Territories, we should not be able to do likewise there.

However, as there are two amendments before the Committee, I shall have to examine them and see how they would fit in with the economy of the Bill and the intentions of the Department. I therefore move that the Committee rise, report progress, and ask leave to sit again.

Progress was reported.

CANADA'S RAILWAY PROBLEM

DISCUSSION CONCLUDED

The Senate resumed from March 29 the debate on the inquiry of Hon. Mr. Robertson:

That he will call the attention of the Government to certain matters affecting Canada's transportation activities and problems; will inquire of the Government whether or not it has any definite policy in relation thereto, and if so, will ask that it be publicly declared.

Hon. R. DANDURAND: Honourable gentlemen, when I read the inquiry which my honourable friend from Welland (Hon. Mr. Robertson) placed on the Order Paper I did not know where he was leading me. The honourable gentleman desired to call the attention of the Government to "certain matters affecting Canada's transportation activities and problems," and gave notice that he "would inquire of the Government whether or not it had any definite policy in relation thereto, and, if so, would ask that it be publicly declared." That was admirably vague, and I listened with both ears to my honourable friend in order to learn what was in his mind. I confess I admired his skill in developing his thesis, which I might summarize in this way. The railway wage rate is too low: it is in that position because freight rates are too low: the freight rates are too low because of the action of Government and Parliament. Having made that statement, he asked the Government to declare a definite policy on this question of freight rates, since the freight rates, according to him, govern the rates of wages.

Hon. Mr. ROBERTSON: Not according to my statement, but according to the statement of the railroads.

Hon. Mr. DANDURAND: I am under the impression that my honourable friend has not established his premises. He has not demonstrated clearly, to my satisfaction, that the railway wage rate is too low. I am in a state of mind similar to that of the honourable leader sitting by his side (Hon. W. B. Ross), who said that he was uninformed on the matter and would like very much to know what is the exact situation, in order that he might form a judgment. So I repeat his words.

What is the impression throughout the country? The impression which has prevailed throughout the country since the very high rate was agreed to by the railways, after the McAdoo pronouncement, is that the railway employees receive wages far in excess of those paid in most similar callings, entailing similar responsibilities, in this country. This impression may now be erroneous, but it still lingers in the minds of many people throughout the country, and, I am sure, of many honourable members in this Chamber. My honourable friend tried to establish that the railway wages are low because they are lower than the rates prevailing in the United States. I am convinced that that will not be accepted by the country at large as a fair comparison. My honourable friend desires through this Chamber to reach public opinion. He fears

that some classes of railway employees, in the event of failure to obtain wage increases through negotiation, may resort to the final argument of the strike, and in a veiled way the honourable gentleman reminds us of the responsibility of the Government and Parliament. Though he may think he has made out a case which would justify such action, I believe that he will not carry the judgment of this Chamber. I think that the Senate, and the public at large, will need clearer and more convincing evidence.

It is rather curious that we cannot be shown something tantamount to a pay-roll when we have an immense staff of employees moving our trains and working on the maintenance of our railways, from the Atlantic to the Pacific, and being paid by the State, through the Canadian National Railways, or by the Canadian Pacific and other companies who make public returns. I have seen figures which show that certain classes of railway employees receive an average of $3,000 a year. That is quite a large sum. In the event of a dispute arising between railway employees and their employers, should not the people of this country be informed as to what wages the employees are actually paid? In the United States the railway employees are a formidable power, because, over-night, they can paralyze the whole transportation system of that country. So it is in Canada. That power must not be allowed to dominate the people of Canada. The public will acquiesce in the tying up of their transportation system only if they are convinced that an injustice is being maintained, and is not removed. Therefore I say that through government ownership we are near enough to the railways to be able to satisfy ourselves as to the wages paid to the various classes. We cannot do so by examining columns of figures showing the rates per hour, if to them is added the qualification that a day represents a certain number of miles. It is a complicated method of determining what A or B receives. It seems to me that my honourable friend (Hon. Mr. Robertson), who is at the head of one of those large organizations, ought to be able to give this country a statement such as would satisfy his neighbour and leader, as well the other honourable members of this House.

Hon. Mr. ROBERTSON: May I ask my honourable friend in what way he thinks it would be possible for me, as an individual citizen of Canada, with no access to the records of our railway companies, to obtain information of that kind? The Government can obtain it, but I cannot.

Hon. Mr. DANDURAND.

Hon. W. B. ROSS: May I suggest to the honourable gentleman that if he asked his friends, "How much did you get for 1924, 1925 and 1926, in round figures?" they would tell him.

Hon. Mr. ROBERTSON: There are 170,000 of them.

Hon. Mr. DANDURAND: There is something in my honourable friend's statement that he has not free access to that information, although I am quite sure that through his connection with a large organization he could easily ascertain the amount of the monthly or bi-weekly pay cheque, which goes to make up the yearly wage. Perhaps the information could be obtained through an inquiry placed on the Order Paper of this House. The Canadian National Railway must answer our questions.

My honourable friend asks "What is the policy of the Government in connection with freight rates?" He will readily understand that the question he puts is perhaps the biggest that could engross the attention, not only of the Government, but of Parliament. He knows that freight rates are settled by the Railway Commission—

Hon. Mr. ROBERTSON: Sometimes.

Hon. Mr. DANDURAND: —that we have delegated to the Railway Commission the fixing of freight rates. He knows also that above the Railway Commission stands the Parliament of Canada, which is supreme. He is aware of the fact—and he mentioned it—that Parliament has recently done something which affects the freight rates of the West. I am sure that when that piece of legislation passed this House he did not raise his voice to condemn it because of the effect it would have on railway wages. He knows full well that legislation is on its way to this Chamber which to a considerable extent affects the freights of the East. He now asks what is the policy of the Government. The Governments' policy is embodied in the legislation of the past and the legislation of the present. The people of this country are about to assume a share of responsbility for the cost of these reductions in the East; but in the fixing of rates, the Railway Commission, generally speaking, is supreme, except that it is subject to whatever action Parliament may take. How can this Government declare today what might be its action during the next Session of Parliament, or within two, three or five years?

Hon. Mr. ROBERTSON: That is the trouble.

Hon. Mr. DANDURAND: Who can say what problems may arise? We are now facing the problem of the East. My honourable friend says that the Railway Board should recognize that the wage rate ought to be a fair one. But the first consideration that must govern the Railway Commission is the question of providing for the cost of operation, and the first factor it must recognize in determining the operating cost is certainly the question of the wage rates to which the railway employees are entitled.

With these remarks, I close my answer to the honourable gentleman. When he asks the government to announce a policy that will make for the stability of freight rates, he raises a most momentous problem. I understand that the Railway Commission has given 93 sittings to date to the hearing of parties, from the Atlantic to the Pacific, who are interested in the fixing and harmonizing of freight rates. I hope that a fair conclusion will be reached; but all I can tell the honourable gentleman is that we must depend upon the wisdom of Parliament and the wisdom of the Railway Commission.

LEAGUE OF NATIONS

DEBATE FURTHER ADJOURNED

On the Order:

Resuming the adjourned debate on the inquiry made by Right Honourable Sir George Foster: That he will call the attention of the Senate to the work of the League of Nations for 1926 and invite discussion of the advisability of the Government's adherence to section 36 of the Protocol of signature of the Permanent Court of International Justice.—(Honourable Mr. Ross (Middleton).)

Hon. W. B. ROSS: Honourable gentlemen, at the time I moved the adjournment of this debate, I said that I did not intend to speak, but that I was merely keeping the question open. I have now no desire to prolong the discussion.

Hon. Mr. DANDURAND: Is there any other honourable gentleman in this Chamber who desires to be heard on this inquiry of the right honourable the junior member for Ottawa (Right Hon. Sir George E. Foster)? If not, although I am ready to proceed, I will move the adjournment of the debate, because I do not see the right honourable gentleman in his seat.

The debate was adjourned.

DIVORCE BILLS

SECOND AND THIRD READINGS

Bill W6, an Act for the relief of Charles William John Walker.—Hon. Mr. Willoughby.

Bill X6, an Act for the relief of John Stewart Walker.—Hon. Mr. Willoughby.

Bill Y6, an Act for the relief of Percy Ashley Davis.—Hon. Mr. Willoughby.

Bill Z6, an Act for the relief of Edward Henry Ball.—Hon. Mr. Willoughby.

Bill A7, an Act for the relief of Mary Saranchuk.—Hon. Mr. Willoughby.

Bill B7, an Act for the relief of Dorothy Ruth Hoffman.—Hon. Mr. Willoughby.

Bill C7, an Act for the relief of Frederick Wilson McLean.—Hon. Mr. Willoughby.

LOAN COMPANIES BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 49, an Act to amend the Loan Companies Act, 1914.

He said: Honourable gentlemen, I had intended giving only a general explanation of this Bill and the two following Bills—the Winding Up Act and the Trust Companies Act—at this stage. I did not deem it opportune to go into the details of these various amendments, because, if the Bills secure a second reading, I intend to move that they be referred to the Committee on Banking and Commerce, where they may be taken up clause by clause. Two of these Bills involve questions of law which we could discuss now, and upon which we might express an opinion; but I would suggest that we reserve our judgment until after we have heard the representatives of the Departments who have these Bills in charge, as well as the representatives of other interested parties. I understand that the Provinces are interested in one feature of these Bills, and that there will be other interests represented before the Committee, and I do not care to go into an explanation of the Bills and make a defence of their clauses till we have heard from the interested parties.

I move the second reading of Bill 49.

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

WINDING UP BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 51, an Act to amend the Winding Up Act.

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

TRUST COMPANIES BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 52, an Act to amend the Trust Companies Act, 1914.

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

CANADA GRAIN BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 235, an Act to amend the Canada Grain Act.

Hon. W. B. ROSS: I was going to suggest to the honourable gentleman that he should treat this Bill in the same way as the three we have just dealt with. It will expedite business, I think.

Hon. Mr. DANDURAND: I have no objection to sending this Bill to the Committee on Banking and Commerce if my honourable friend thinks that some light can be shed upon it there. I draw the honourable gentleman's attention to the fact that this Bill was before the Committee on Banking and Commerce, I think, last session, and that it received careful study and was returned to this Chamber after all the parties interested in it had been heard.

There are two clauses to this Bill. The first one is not contentious. Clause 2 seems to be the contentious one—at least it was last session—and we all know what it purports to do. The whole trouble comes from the fact that in 1924 Parliament altered the Canada Grain Act and took away from the farmer of the West a right which he had possessed in virtue of that Act. Prior to that time the farmer of the West could route his grain to any terminal if he so desired. The phrase in the Act was "if either so desires." This apparently put the farmer and the owner of the country elevator on an equal footing. Of course the question remained open as to who should have the first say in the matter. My interpretation of the Act of 1912 is that the farmer, in bringing his grain to the elevator, could make his choice, and state that he was bringing it in with the intention of having it sent to a certain elevator. Having done that, he had made his election, and I believe, in common with many legal luminaries, that that gave him an absolute right to control the routing of his grain. It was said, however: "Well, it is all a question of who speaks first and expresses his desire." The farmer who had the grain in his possession and who brought it to the country elevator on the prairie undoubtedly was the one who could speak first and express his desire, and then hand over the grain to the elevator on condition that his wish should be followed. Because he was deprived of that privilege in 1924, he appeared before Parliament last year, and comes before us again this year. Now, of course, he goes one step further, and clarifies the position in his own favour. It may be claimed that his right in 1912 was a limited one, but there is no question that in 1912 he had a right, of which he was deprived by the legislation of 1924. It was his deprivation of that right in 1924 which caused him to say, "We want that right restored." The advice of the Royal Commission, which was presided over by Mr. Justice Turgeon, has been carried out in this Bill, as far as my recollection goes. I see that the honourable gentleman who had charge of this Bill last year (Hon. Mr. Willoughby) says that I am on orthodox ground as to facts.

The principle involved in this Bill is based simply on the question I have now outlined, and I suggest to my honourable friend that we discuss the principle and decide here and now upon it. That is all that there is in it. If we reopen the discussion in Committee, I doubt if we can get any more light than we now have, and if we cannot get more light we are now ready to express an opinion upon the principle contained in the Bill, which says:

"(2) Such receipt shall also state upon its face that the grain mentioned therein has been received into store, and that upon the return of such receipt, and upon payment or tender of payment of all lawful charges for receiving, storing, insuring, delivering or otherwise handling such grain, which may accrue up to the time of the return of the receipt, the grain is deliverable to the person on whose account it has been taken into store, or to his order, from the country elevator where it was received for storage, or, if he so desires, in quantities not less than carload lots, on track at any terminal elevator in the Western Inspection Division or at a proper terminal elevator at or adjacent to Duluth, so soon as the transportation company delivers the same at such terminal, and the certificate of grade and weight is returned."

The principal new words are, "if he so desires." The whole discussion therefore hinges upon the question whether this Chamber has made up its mind that it absolutely understands what is the problem. In 1924 the pendulum swung to the owner of the country elevator, and he was left to decide as to the terminal to which the grain should go. Up to that time, as I said, the two parties were on an equal footing. The determination as to where the grain should go was left, as it were, to the one who spoke first. In 1924 the country elevator owner was favoured,

but this Bill says that the farmer who raises the wheat, should say to what terminal it should go; and I claim that this Bill brings the parties much nearer to what the law was from 1912 up to 1924 than does the amendment of 1924.

With these explanations, I feel that whatever we may hear, or whatever suggestions may be made, we shall still have before us the question whether we shall clearly restore to the farmer his right to route his grain to the terminal elevator, or on the contrary, allow the first and last word to be said by the country elevator? That is the point of division. On that point I am ready to divide the Senate at this moment, but if my honourable friend thinks that more light can be got in Committee I will follow him there.

Hon. W. B. ROSS: I will accept the offer.

Hon. W. B. WILLOUGHBY: Honourable gentlemen, last year this was a private Bill, and it was placed in my hands by the gentleman who brought it into the House of Commons. I need hardly repeat—what has been said more ably than I could pretend to say it—that the Bill got the most adequate, full and complete consideration in our Banking Committee last year. Witnesses were brought from wherever the Committee wished, and we had the most extensive propaganda against that Bill that I have ever seen since I have sat in the Senate. I think the House cannot obtain any better or fuller evidence on which to base a conclusion than they now possess.

There was a clause in the Bill of last year to which the honourable leader of the House has not drawn to the Senate's attention. It was a clause stating that Moose Jaw should be a car order point. That clause was put into the Bill during its progress through the other House last year, at the instance of the member for Moose Jaw who sat in that House, and it came to this House after having passed in that form.

I believe there were many gentlemen in this House who favoured the Bill, but thought that that clause was objectionable, as it put, as they thought, extra and unnecessary expense on the railway companies, and that what was aimed at by the clause might have been done in some other way. Some honourable gentlemen personally expressed that view to me. I regret that I cannot concur in the view of the honourable leader on this side of the House (Hon. W. B. Ross), which I would have been delighted to do; but we cannot get any more light. The Session of Parliament is drawing to a close, and there is nothing to discuss in this connection except what the honourable leader of the House has said, and that is, the principle of the Bill. He has adhered to the legal view that I expressed last year, and I am still of the same opinion.

Whether that opinion be right or wrong, it surely is the view taken by the very representative men of the Commission that sat and investigated this question for more than a year, and made one of the most elaborate and complete inquiries that we have ever had in Canada. That Commission was headed by Mr. Justice Turgeon, a son of an honourable gentleman who sits in this House, and other members of the Commission were the Dean of the Department of Agriculture in the University of Saskatchewan, a member of the faculty of the University of Alberta, and a representative of the railway interests, Mr. Scott; and I think there was present most of the time a representative of the milling interest. It was a most representative Commission, composed of the most expert and independent men who have been appointed on any Commission in connection with the grain business.

Hon. J. A. CALDER: Honourable gentlemen, I agree with what the junior member for Moose Jaw (Hon. Mr. Willoughby) has said, that we had last year a very full and complete inquiry in reference to this Bill, and I doubt very much if we can, by sending it to Committee, add a great deal to what was then said and done.

As the honourable leader of the House has pointed out, the real crux of the Bill is the question whether or not the farmer always had the right to send his grain to any terminal elevator that he chose. I took the ground, according to all the evidence we had before our Committee, that he never had that right. That is the one point that we must decide. If the farmer always had that right, and if there is any doubt about his having it now, it should be restored; but on the other hand, if he never had that right, I say we should be very careful, remembering that millions of dollars invested in constructing country elevators on the basis that the farmer never had that right. Terminal elevators have also been constructed at the head of the Lakes on that understanding.

My honourable friend has referred to the personnel of the Commission, and I agree with everything he has said; but according to my recollection we have had no evidence from that Royal Commission that goes so far as to state that they hold the view that the farmer always had that right to send his grain to any terminal elevator that he chose; and

I do not remember any evidence given before our Committee last year that indicated that the Commission ever held that view.

My honourable friend has just stated the opposite.

Hon. Mr. WILLOUGHBY: No, no; I do not want to interrupt the honourable gentleman, but I have given my legal view, for what it is worth—and it may not be worth anything. I do say, however, that this Bill as it is brought in is the Commission's Bill, drawn by the Chairman. As to whether the farmer had or did not have the right before, I submit that he had.

Hon. Mr. CALDER: I had the impression from my honourable friend's statement that the Commission had indicated that the farmer had had that right.

Hon. Mr. WILLOUGHBY: That was my argument, under the Act, right or wrong. It is the Commission's Bill.

Hon. Mr. WATSON: The farmers had that right, as shown in practice during all those years.

Hon. Mr. CALDER: They never exercised it in practice. The farmers did not own any terminal elevators. All such elevators were in the hands of private individuals, so there was never any occasion to exercise what they now consider was a right, for no means existed by which it could be done. Until the pools came into existence the terminal elevators were owned by private interests and there was no reason why any such right should be exercised by the farmers.

But there was one class of evidence that we did not have last year, which I consider very important; that is, evidence from members of that Royal Commission. This is practically the only evidence that I would like to see brought before this House. I feel quite certain that if Judge Turgeon comes here and gives his evidence on this Bill, as to the object his Commission had in changing the law, he will submit to our Committee a state of facts and conditions very different from those that have been presented to us. It was pointed out to us by the Board of Grain Commissioners last year, that an entirely new set of conditions had arisen. Two new ports were opened up on the west coast, Vancouver and Prince Rupert, and the time had come when the farmer might want to route his grain either to the western coast or to the head of the Lakes. As was stated by the Board of Grain Commissioners, of whom we had two members before us, this Bill comes to us with the object of giving the farmer the right to route his grain either to the Pacific or to the head of the Lakes, and the right to ship it to any terminal point that he chooses.

I agree with everything that has been said with reference to our inquiry of last year, and it seems to me that if we go to Committee any evidence that we could get now would be very confined; but I would like, if possible, to have a statement from the Chairman of the Royal Commission as to his views respecting the object of this legislation, and I think that could be got by telegram. On the other hand, I have been informed that since last Session there have been many discussions between the Department and the Board, the grain trade and the pools, with reference to what should be done. I have been told—I do not know how true it is—that the Board of Grain Commissioners, in order to get rid of this situation, made a proposal to the Department, which has been considered by the Department; that certain amendments to the Bill had been prepared, and that those amendements were brought down in another place and tabled. If it is true that since our last Session the Board of Grain Commissioners have gone carefully into this matter again, considered it with the Minister in charge of that Department, and that certain amendments have been suggested that will clear up the situation, we should know about them. We should have the members of the Board here once more, as well as officials from the Department, and we should understand what the proposed amendments mean. If what has been told me is true, I take it that this House should have an opportunity of considering the whole matter in the light of what has been proposed.

Hon. Mr. MURPHY: Those amendments were suggested to the Department by whom?

Hon. Mr. CALDER: By the Board of Grain Commissioners. Personally I think the Bill should go to Committee for two purposes: first, to get an opinion from the Royal Commission as to the object of the change they have suggested in the law, and, secondly, to hear members of the Board of Grain Commissioners in order to understand what their proposals were.

Hon. Mr. WILLOUGHBY: The Board was before us last year.

Hon. Mr. CALDER: Yes, but this has all taken place in the meantime, so far as I am informed. I have not seen the amendments, or those papers which I understand were brought down in the other House, but

in view of all the discussion and trouble we had in this House last year over this legislation we should have accurate information on those two points, as to the objects of the proposed legislation, and also the nature of the amendments.

Hon. Mr. SCHAFFNER: Were those amendments considered in the other House?

Hon. Mr. CALDER: No; I think they were simply tabled with the correspondence. I think that with these limitations the Bill might very well go into Committee. There is no necessity for this House having a lengthy inquiry such as we had last year.

Hon. Mr. BELCOURT: Does my honourable friend contend that the farmer, in dealing with the local elevators, was obliged at any time to waive the natural right, which he would otherwise have, to select his own terminal elevator, or that he did so? I will make it as plain as I can. In order to make use of the local elevator did the farmer renounce any right to decide later as to the terminal elevator to which he would ship his grain?

Hon. Mr. CALDER: My honourable friend attended the Committee meetings last year, and, I understand, followed the discussion very closely. The farmer brings his grain into the local elevator. Now, if he so desires he may take delivery at that local elevator; or, if he desires, it may go forward to a terminal—not a terminal elevator, but a terminal.

Hon. Mr. BELCOURT: Yes, a terminal.

Hon. Mr. CALDER: He has the right to accept delivery of his grain at the country elevator in which he has placed it, or he may accept delivery at a terminal point. My contention is that he never had the right to select the terminal elevator to which his grain should be sent.

Hon. Mr. BELCOURT: I quite understood that, but I wanted my honourable friend to point out when the farmer waived his right to have his grain delivered by the local elevator at the terminal which he himself chose. That is the point. When did he waive that right?

Hon. Mr. CALDER: He never had it.

Hon. Mr. BELCOURT: Why would he not have it? He would have that right naturally unless he gave it up. When did he ever renounce it?

Hon. Mr. CALDER: No; he had the right to have his grain delivered at a terminal point, and he has that right now. He has always had that right, but he never had the right to determine the particular terminal elevator to which his grain should be sent. That is an entirely different thing.

Hon. Mr. BELCOURT: I thoroughly understand that, but where did he ever agree to that? Where did he ever bind himself?

Hon. Mr. CALDER: That is the law.

Hon. Mr. BELCOURT: What law?

Hon. Mr. CALDER: The law of 1912.

Hon. Mr. BELCOURT: That is not in the Act. There is nothing in the Act about that at all. My honourable friend's whole argument is predicated upon an assumed waiver, which he cannot find anywhere.

Hon. Mr. CALDER: There was nothing to waive.

Hon. Mr. BELCOURT: Yes; the right which you deny him.

Hon. Mr. TURRIFF: Honourable gentlemen, evidence was given last year before the Banking and Commerce Committee, by farmer after farmer, that the farmers had the right when they put grain into a country elevator, to have that grain shipped to a terminal elevator. Whether it was the law or not they did not particularly know, but they had exercised that right for years and years, in practice. That was the evidence given before the Committee. That right evidently existed throughout, and was never given up. In passing this Bill you are only restoring to the farmers the right that they exercised by law and in practice.

Hon. Mr. BELCOURT: And never waived or renounced.

Hon. A. B. GILLIS: Honourable gentlemen, the honourable member from Saltcoats (Hon. Mr. Calder) has a way of smoothing things over and he seems to have persuaded some honourable members of the Senate this afternoon that it is necessary to send this Bill to the Committee on Banking and Commerce. As asked by the honourable leader of the House, what could we possibly gain by sending the Bill to that Committee again, or to any Committee? Every phase of this question was threshed out very thoroughly, and if we referred it to Committee again we should be only threshing out old straw. Nothing new has developed that would justify this House in referring the Bill again to Committee for investigation. I have a great deal of respect for the opinion of Mr. Justice Turgeon, but I hardly think this House would be justified in

holding this Bill for the sole purpose of obtaining the views of Mr. Justice Turgeon on this question.

As has been pointed out by the honourable gentleman from Assiniboia (Hon. Mr. Turriff), the right or privilege in question was exercised by the farmers for many years, and if they were deprived of that right in 1924 it is certainly the duty of this House to restore it as quickly as we possibly can. After all, what is involved in this question? It is the point whether or not the man who produces the grain by the sweat of his brow has a right to say to what terminal that grain should go. That is the point at issue. We hear a great deal about what are known as vested rights. We are told that we are interfering with them. I think that the holders of those vested rights, that we hear so much about, are perfectly capable of looking after themselves in the matter of grades. They are very careful in that respect. They are very particular, especially in dealing with pool grain, not to grade it too high; and they are equally anxious to see to it that the farmer is not credited with too much weight. Practically every elevator operating in Western Canada in the past twenty or thirty years has had a surplus or overage at the end of each year. Where did that overage come from? Did it grow in the elevator during the period in which the elevator was handling grain? No; it was taken from the farmers. As to interfering with, or injuring, vested rights, I do not think we need bother our heads very much about it. The talk about vested rights is more or less buncombe. It does not amount to anything. The point at issue is this, that the man who tills the soil and produces the grain has an absolute right to dispose of that grain as he sees fit; and as far as I am concerned, I will certainly oppose any reference of this Bill to any Committee except the Committee of the Whole House.

Hon. H. W. LAIRD: Honourable gentlemen, it is not my intention to make any remarks upon the principle of the Bill; I prefer to confine what I have to say to the one question of the advisability or otherwise of having one of our Standing Committees make further inquiry into the question. Honourable gentlemen will remember that this matter was before the Banking and Commerce Committee last year for a number of sittings, and the inquiry was very long and exhaustive. I think we were all well informed upon the merits and demerits of the contentions of the conflicting interests. If the situation had remained unchanged, I would be quite prepared to say that in my opinion there would be no necessity of referring the matter to the Committee again upon this occasion. However, since the last Session of Parliament, as has been stated by one honourable member who preceded me, this matter has been under discussion by the interested parties, and by the Government as well. It has been the subject of an investigation by the Department of Trade and Commerce, which is in charge of such matters, and I understand that as a result of that investigation by the Department a report has been brought down in the other Chamber and certain recommendations have been made by the Board of Grain Commissioners in regard to it. We know that the Board of Grain Commissioners is the official body which deals with the movement of grain and the handling of the grain traffic of this country, and I think it is safe to say that there is no body in the country to whose opinion we should defer more, in respect to any recommendation that is offered, possessed, as it is, of official and practical information upon all phases of the trade. In view of the fact that this information has been brought down specifically for the information of Parliament and is available to this House, I contend that we would not be justified in dealing with this situation upon the information that we obtained last Session, entirely ignoring any further information that may have developed in the meantime.

A few moments ago, without any objection whatever, we referred several Bills to a Committee for investigation and report. We took the logical course of referring those Bills to the Banking and Commerce Committee. Those Bills are immediately followed by this Bill, of far greater, far more transcendent importance than the Bills we have already referred to Committee. Although we are advised that there is further information available to the Committee, it is now calmly proposed that we deal with the matter in Committee of the whole House, without being in possession of the facts. As I have said, I do not propose to deal with the merits or otherwise of this Bill; I simply say that in fairness to this House we should have all the information that is available. As to hearing the contending parties, I do not think this would involve much time, because in the first place we have heard their representations before; in the second place, as I understand, both parties to this dispute are here—although I may say that I have not yet been favoured with the views of either side—and the Grain Commissioners are here, or at least one of them is in the city, or was here a day or two ago. So if we desire to hear these different parties again, the information they have to offer is available and the hearing

would involve no delay. I contend that honourable members of this chamber should be in possesion of the report which was brought down by the Board of Grain Commissioners, which was placed before Parliament within the past week, before being called upon to deal with a measure of such importance as the Bill now under discussion.

Hon. G. D. ROBERTSON: Honourable gentlemen, I would like to ask my honourable friend the leader of the Government whether or not this Bill was referred to any Standing Committee in another place.

Hon. Mr. DANDURAND: I am inclined to answer in the negative, but I simply state an impression that I gather. As a matter of fact, I looked at the record to ascertain the position of the Bill, and saw that it had been read the second time, and in the next column that it had been read the third time. There was no mention of the Committee stage.

Hon. Mr. WILLOUGHBY: No opposition.

Hon. Mr. ROBERTSON: My reason for asking the question is simply personal curiosity, and it is of some importance now. Last Thursday night, on the train going to Toronto, I happened to ask an honourable gentleman, who does not sit in this House, what progress was being made with this particular legislation, and I am very sure that he informed me that by agreement with the Minister of Trade and Commerce it had been deferred until this week. Yesterday it came to my notice that, in spite of that understanding, the Bill was railroaded through the other House on Friday night, when a large number of members who wanted to be present when it was dealt with were absent, assuming that under the promise made it would not be disposed of until this week. If that be true, and if there was no opposition to the Bill there, and members were absent who wanted to have witnesses heard and to obtain further information, then I declare frankly that I am very much in favour of giving the interested parties an opportunity to be heard before the Bill is finally passed upon. If an opportunity has not been afforded in the other House for the bringing of this evidence before a Standing Committee which is said to exist now, I feel that that opportunity ought to be given. I will go further and say that it ought not to be made an excuse for delay which would retard this Bill so that it could not be conveniently dealt with at this Session of Parliament. But, in view of what I believe to have happened elsewhere, to say that we will not give the people interested in this Bill an opportunity of stating their case before a Committee is not exactly, in my opinion, the Canadian style of dealing with legislation.

Hon. Mr. WILLOUGHBY: Did we not give all that opportunity last year? It was the most adequate I have seen.

Hon. Mr. ROBERTSON: It has been stated here within the last fifteen minutes that there are expressions of opinion from the Board of Grain Commissoners itself. Those were not before us last year. I suppose they are developments that have arisen since that time. Surely they ought not to be debarred from being presented in the House or here.

Hon. Mr. GILLIS: Did we not have the Grain Commissioners before us last year?

Hon. Mr. ROBERTSON: Yes.

Hon. Mr. GILLIS: Did they not give all the evidence they possessed with regard to this Bill?

Hon. Mr. ROBERTSON: At that time.

Hon. Mr. GILLIS: Nothing has occurred or been discovered since, that would justify delaying ths matter.

Hon. W. B. ROSS: I understand that there have been new recommendations with a view to a settlement. If we referred this Bill again to the Committee on Banking and Commerce we could sift out the suggested amendments and perhaps get the parties together. I think there is a good chance of doing that. That is what moves me.

Hon. Mr. DANDURAND: Honourable gentlemen, I do not believe that the statement of my honourable friend from Welland (Hon. Mr. Robertson) should influence in the least the procedure to be followed at this stage of the Bill. He has heard through some person on the train that there was an agreement not to pass this Bill in the Commons before this week. Well, surely he does not think for a moment that we would accept such a statement. I am not challenging the fact that he did hear some such conversation, but if there is anything that the House of Commons is very particular about, it is the carrying out of an agreement made by the Government with regard to a date on which a Bill is to be taken up.

Hon. Mr. ROBERTSON: May I ask my honourable friend a question? Would he be good enough to inquire of the honourable

Minister of Trade and Commerce whether or not what I have stated is true? The Minister of Trade and Commerce, I am informed, was also absent on Friday, under the same impression.

Hon. Mr. SHARPE: And another member took up the Bill and put it through.

Hon. Mr. DANDURAND: It would be a most extraordinary situation that a House composed of 245 members would from Friday evening until to-day allow such an act of discourtesy to go unchallenged. I cannot believe that. I cannot for one moment admit that such a body of men, even if they were unanimous on the Bill, would not protest against such procedure, and I strongly resent the idea that this or any other government would stoop to such a thing. So I sweep away the impression that may have been created in the minds of honourable members to this Chamber, unless I hear some authoritative voice from the other House upon this matter.

The honourable gentleman from Saltcoats (Hon. Mr. Calder) has given two reasons why this Bill should be returned to the Committee. The first is that he would like to hear the Royal Commission. I desire to state to my honourable friend that the Royal Commission is functi officio; there is no Royal Commission; and I venture to say that none of the gentlemen who were members of that Commission would express an opinion as to what they meant, beyond what is stated in the report which was laid on the table of both Houses of Parliament, unless they were given an opportunity to confer together before expressing such an opinion. We have their work before us; it was before us the whole of last session; and I cannot see for one moment why a Committee of this House should wire to the three members of that defunct body to ask them to interpret our present legislation.

Hon. Mr. CALDER: Will the honourable gentleman allow me? We had a similar case in connection with pensions. We had the pension law before us, and it will be remembered that after the Commission had been disbanded and had ceased to exist, we brought before the Committee the present Minister, Mr. Ralston, and that he sat down with us and gave evidence, and gave it very freely.

Hon. Mr. DANDURAND: I think my honourable friend is mistaken in making that assertion. The Royal Commission had made an interim report, and it was in existence for over a year after that time before it made its second report. I am not sure at what date Mr. Ralston was called upon, but I am convinced that he was still exercising his functions as a Royal Commissioner. My honourable friend surely does not expect Parliament to await the coming of those three Commissioners. Where they are, I do not know. It would be some time before we could get their opinion. This is a matter which we can judge for ourselves. We received sufficient light upon this question during the last month of the last Parliament to enable us to come to a conclusion.

My honourable friend says he would like to investigate the rumour that there have been negotiations. Well, that has not prevented the Minister of Trade and Commerce from bringing his Bill into the House of Commons. He explained the Bill and proposed it to the House, and it received its three readings unanimously, and now it is before us. This is a matter which engrossed the attention of members in both branches of Parliament last session. My honourable friend wants to know what are the negotiations that are going on. They have been thrust aside; legislation has been introduced, because apparently there was no other solution than the one contained in this bill. Shall we take it upon ourselves to go into those negotiations, and to bring any parties who have any ideas on the matter before us? They can communicate their ideas to the members of this Chamber. Surely, honourable gentlemen, we will not go into the Committee to hear parties who are supposed to be still here, lingering around the lobby. We have had all that information, and it is time for us to act.

My honourable friend from Saltcoats (Hon. Mr. Calder) says that the farmers of the West never had the right to route their grain to a terminal elevator. I will read clause 159 of the Act of 1912, and will leave it to every honourable member of this Chamber to decide for himself what right they had under that clause. Honourable gentlemen will see that it is for us to declare whether the farmer had the right under clause 159, and whether it shall be restored by this Bill, or whether we will stand by the amendment of 1924, which gave that right exclusively to the elevator man.

Clause 159 says:

> Such receipt shall also state upon its face that the grain mentioned therein has been received into store, and that upon the return of such receipt and upon payment or tender of all lawful charges for receiving, storing, insuring, delivering, or otherwise handling such grain, which may accrue up to the time of the return of the receipt, the grain is deliverable

to the person on whose account it has been taken into store, or to his order, from the country elevator where it was received for storage,—

My honourable friend from Saltcoats (Hon. Mr. Calder) has said that a farmer can transform that country elevator into a warehouse—that he can bring his grain there, obtain a certificate of quantity and quality, and thereafter, upon paying the charges, receive back the very same article, both as to quantity and quality. But something else can take place under clause 159. This is what follows:

—or, if either party so desires—

I draw attention to those words.

—if either party so desires, in quantities not less than carload lots, on track at any terminal elevator in the Western Inspection Division,—

Not at any terminal point.

—at any terminal elevator in the Western Inspection Division, on the line of railway upon which the receiving country elevator is situate, or any line connecting therewith, so soon as the transportation company delivers the same at such terminal, and the certificate of grade and weight is returned.

So the grain is delivered to the person on whose account it has been taken into store, or upon his order from the country elevator where it has been received into storage, or, "if either party so desires, in quantities not less than carload lots, on track at any terminal elevator in the Western Inspection Division."

Hon. Mr. McLEAN: Would the honourable gentleman answer this question? Does the receipt from the elevator in which the farmer puts the grain guarantee the delivery of that grain at the terminal without any loss?

Hon. Mr. DANDURAND: The receipt states the quantity and quality, and that is what must be delivered. So, in virtue of clause 159 of the Grain Act of 1912, the farmer who puts his grain into the county elevator could receive it back on the spot in order to ship it himself if he pleased, quantity and quality being the same.

I recognize that the clause is not an easy one to apply; but delivery may be ordered, "if either party so desires, in quantities not less than carload lots, on track at any terminal elevator in the Western Inspection Division." So, as I said in opening, the question is as to the interpretation of the words "if either party so desires." It has been said that a fair interpretation means that the first one to express a desire should have the advantage of his election.

Hon. Mr. McLEAN: I do not think the honourable gentleman understands my question exactly. What I mean is this. When the farmer takes his grain to the elevator and gets a receipt for so many bushels from the elevator man, that is all he can demand. When he ships it out—say it is 10,000 bushels—does that carry him through, or is he liable for any loss that takes place on the way?

Hon. Mr. DANDURAND: There is no provision in the Act allowing a certain charge for shrinkage. But the point that concerns us is the right of the farmer to say, when depositing his grain in a country elevator, to what terminal elevator he wants to send it. I claim, along with the honourable gentleman from Moose Jaw (Hon. Mr. Willoughby), who fathered the Bill last year, that the farmer had a joint right with the country elevator to direct his grain. By the words "if either party so desires," they are both placed on an equal footing. It is a question as to who has the precedence. As I said a moment ago, it has been suggested that the one who first expressed a desire had the advantage. That being so, the farmer or the owner of the grain, could bring it to the elevator and say, "I want it to be sent to such and such a terminal elevator," and I challenge any representative of the legal profession in this Chamber to attempt to disprove that interpretation. The Bill simply restores to the farmer the right which he had in 1912—in common with the elevator man, if you will—a right of which he was deprived by the legislation of 1924.

Hon. Mr. BELCOURT: And which he never waived.

Hon. Mr. DANDURAND: And which he never waived. He waived it all the less, in that he had a right to expect that Parliament would follow the opinion and the direction of the Royal Commission. If I am not mistaken, the Bill introduced in the House of Commons in 1924 contained such a provision, and I think it was changed by a Committee. I stand subject to correction.

Hon. Mr. WILLOUGHBY: I think that is correct.

Hon. Mr. DANDURAND: I think that the Bill as introduced in the Commons followed the direction of the Royal Commission and restored, to a larger extent, if you will, the right of the farmer to direct his grain to any terminal elevator.

Under the circumstances, I cannot understand why we should be asked to send the Bill to Committee; but if my honourable friend opposite insists that it should go to Committee, I will not divide the House upon that question.

The motion for the second reading was agreed to.

REFERRED TO COMMITTEE ON BANKING AND COMMERCE

Hon. Mr. DANDURAND: Does my honourable friend insist that the Bill go to Committee?

Hon. W. B. ROSS: I would like it to go to Committee.

Hon. Mr. DANDURAND: Will it be understood that we will give only one sitting or one day to the Bill?

Hon. W. B. ROSS: I think one day would be sufficient; probably less would do.

Hon. Mr. DANDURAND: Well, with that understanding, I move that the Bill be referred to the Committee on Banking and Commerce.

Hon. Mr. GILLIS: I object very strongly to this Bill being referred to the Committee on Banking and Commerce. I have already stated the reasons for the position I take. Those who vote to send the Bill to this Committee want to kill it. I do not think any good will come of it. Any changes in the Bill may destroy it, and I feel very strongly that instead of referring it to a Standing Committee, we should deal with it in Committee of the Whole.

The Hon. the SPEAKER: The motion before the House is that the Bill be referred to the Committee on Banking and Commerce.

Some Hon. SENATORS: Carried!

Some Hon. SENATORS: Lost!

Hon. Mr. WILLOUGHBY: It is not carried.

Hon. Mr. BELCOURT: It has been put, but it has not been carried.

Hon. Mr. DANDURAND: I dislike very much imposing my will on the majority of this Chamber, and I believe that my honourable friend opposite (Hon. W. B. Ross) feels as I do. I am ready and willing to allow the members of this Chamber to divide on this question, if they so desire. I would not like it to be said that the two Leaders, by agreeing, were able to carry out their will in opposition to the will of the majority of the Chamber.

Hon. Mr. POPE: We will not let you.

Hon. Mr. DANDURAND: Well, shall we divide the House?

Right Hon. Sir GEORGE E. FOSTER: I think the position taken by my honourable friend opposite (Hon. Mr. Dandurand) is a very reasonable one. I have just one point to urge. I think that when there is a contentious Bill before the Senate an opportunity should be given to the contending sides to be heard. Such procedure does not diminish the strength of the Senate; it eventually adds to it. I think that to allow a reasonable time for the various contentions to be placed before it makes for the innate strength of the Senate, and I hope the Senate will hold to that idea. Furthermore, such action appeals to the spirit of fair play of outsiders. We have time enough at our disposal to devote a day to this Bill in Committee. Why should we not do so?

I speak with some knowledge of this matter, having been connected with the Department of Trade and Commerce for a number of years. The questions that arise in that western territory with regard to grain handling are very complex. As my honourable friend knows, when we went into Committee on this Bill last year a great deal of explanation was required, and we all discovered that we were not perfect masters of the situation. During my administration of the Department I relied very largely upon my Commissioners—three men appointed because of their excellence and experience and capacity. They were in the North West, and had to do with the grain business and grain handling and grain producers year after year. It was their business. They came to know the business thoroughly, and I relied upon their opinions to a very great extent. I understand that in this case the Commisioners have had the matter before them again this year, and they have recommended a method that can be practically carried out, and one that is eminently fair to all branches of production.

Hon. Mr. WILLOUGHBY: How does the honourable gentleman know of that? I have never heard of it, and I introduced the Bill last year.

Right Hon. Sir GEORGE E. FOSTER: But if my honourable friend has not heard of it, there is information ahead of him, and he ought not to be opposed to going into the place where that information can be brought out. I myself have read it, if my honourable friend has not; and I am sure that there is a sentiment that this House would like to inform itself as to what those experts, whose business it is to look into that matter, have unanimously decided, and have recommended in the way of legislation which they say will be eminently fair to all sides, and which can be practically carried out.

I would like that we should come together where we could talk to each other across a table, and not in formal debate—in an open forum where the whole question could be

examined, and where we might rely on the opinions of experts whose duty it has been for many long years to study this whole problem, and who have had largely in their own hands the direction of western grain handling. I just put these two points. For myself I would like to see whether that method could not be adopted in reference to the Bill that has been brought up.

There are various rumors afloat as to what occurred in another place. I do not know whether those rumors are true or not, but we are told that the legislation went through very rapidly, and I understand it was actually passed in the absence of the responsible Minister himself. If that be true, and if the House had no intimation of a decision which had been reached by the three Commissioners, I think there is very good ground for us to go cautiously, and give them a chance to be heard.

There is much said in regard to this Senate being autocratic, and all that. We have removed to a great extent that outside impression by the very ample liberty we have given to people on both sides of these contentious Bills to come before us and make their arguments. It will not hurt us to do that in this case, and I think it will strengthen us, and we need all the strength we can get.

Hon. Mr. DANDURAND: Honourable gentlemen, as I have suggested that the members of the Senate should be free to express their views on the procedure to be followed, either to send the Bill out to a Committee or leave it here, I suggest that my honourable friend facing me (Hon. W. B. Ross) and myself should abstain from voting.

The motion of Hon. Mr. Dandurand to refer the Bill to the Committee on Banking and Commerce was agreed to on the following division: yeas, 34; nays, 20.

GOVERNMENT EMPLOYEES COMPENSATION BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 227: An Act to amend an Act to provide compensation where employees of His Majesty are killed or suffer injuries while performing their duties.

He said: Honourable gentlemen, the Statutes of 1918, chapter 15, as amended, apply to Government employees in Provinces where there are Workmen's Compensation Acts applying generally, and the Government pays from time to time to the Workmen's Compensation Boards of these Provinces, where Provincial Boards exist, moneys from the Consolidated Revenue Fund to be paid out by the Boards to meet awards made by them respecting accidents to Government employees.

In the Province of Quebec, where there is no Workmen's Compensation Board, but where the Court determines compensation under the Workmen's Compensation Act of the Province, the Government directly meets the judgments of the Court from the Consolidated Revenue Fund.

Under the proposed legislation to provide for workmen's compensation to Government employees in Prince Edward Island, the Government may either appoint a Judge of the Court, without remuneration, or a Board, officers, or other authority, with or without remuneration as may be found advisable, to determine the compensation, and will arrange to meet the payments of compensation out of moneys from the Consolidated Revenue Fund direct from the Government or through the determining body, as may be found advisable.

The proposed section 4 of the Bill, subsection 4, provides for the moneys to meet the payments of compensation and the remuneration and expenses, if any, of the determining body, and subsection 5 provides for the making of any regulations that may be found necessary to give effect to the method of payments of compensation, etc., to carry out the purposes of the Act.

I think this explanation meets the inquiries made by the honourable gentleman from Colchester (Hon. Mr. Stanfield) on some of the features of this Bill.

I move the second reading of the Bill.

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

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

CANADIAN NATIONAL RAILWAYS BRANCH LINE BILL

SECOND READING

ROSEDALE SOUTHEASTERLY

Hon. Mr. DANDURAND moved the second reading of Bill 178: An Act to amend an Act respecting the construction of a Canadian National Railway Line being a joint section from Rosedale Southeasterly, in the Province of Alberta.

He said: Honourable gentlemen, this is one of the branch railway lines, the building of which was sanctioned by the last Parliament, and which is in process of construction. The Bill relates to an extension of time for the completion of this work.

Right Hon. Sir GEORGE E. FOSTER: An extension of time, simply?

Hon. Mr. DANDURAND: Simply.

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

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

CUSTOMS BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 172, an Act to amend the Customs Act.

He said: Honourable gentlemen, this Bill provides for the safeguarding of the proper collection of revenue. It also covers a number of clauses which have for their object the prevention of smuggling by the strengthening of the penalty clauses.

If there is more information needed on the Bill, of which I am giving the general purport, we may have that in Committee.

I move the second reading of the Bill.

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

DIVORCE BILLS

FIRST READINGS

J7, an Act for the relief of Electa Minerva Meades.—Hon. Mr. Willoughby.

K7, an Act for the relief of George Allan Swift.—Hon. Mr. Willoughby.

L7, an Act for the relief of Kathleen Maud Cotton.—Hon. Mr. Willoughby.

M7, an Act for the relief of Gertrude Thompson.—Hon. Mr. Willoughby.

N7, an Act for the relief of Jessie Isobel Davidge.—Hon. Mr. Willoughby.

O7, an Act for the relief of Zelpha Evyleen Root.—Hon. Mr. Willoughby.

P7, an Act for the relief of May Alice Moorhouse.—Hon. Mr. Willoughby.

Q7, an Act for the relief of Charles August Brosseau.—Hon. Mr. Willoughby.

R7, an Act for the relief of Celia Kornblum.—Hon. Mr. Willoughby.

S7, an Act for the relief of Alice Elizabeth Fegan.—Hon. Mr. Willoughby.

T7, an Act for the relief of Della Bishop.—Hon. Mr. Willoughby.

U7, an Act for the relief of Cecilia Lucy Holloway.—Hon. Mr. Willoughby.

V7, an Act for the relief of Carl Stanley Ryerse.—Hon. Mr. Willoughby.

W7, an Act for the relief of Samuel Clement Askin.—Hon. Mr. Willoughby.

X7, an Act for the relief of Pearl Lavinia Rorke.—Hon. Mr. Willoughby.

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

THE SENATE

Wednesday, April 6, 1927.

The Senate met at three o'clock, the Speaker in the Chair.

Prayers and routine proceedings.

CANADA GRAIN BILL

CONSIDERATION IN COMMITTEE

On the Orders of the Day:

Hon. A. B. GILLIS: Honourable gentlemen, before the Orders of the Day are proceeded with, I would like to make a statement. There is a persistent rumor current that Parliament may prorogue by the end of the week, probably on Saturday. The Grain Bill is before the Committee on Banking and Commerce, and there are a number of other important Bills also before that Committee. In the event of prorogation taking place on Saturday next, there is comparatively little time left for the Committee to deal with those measures, and there is a possibility that they may fall by the way. The Grain Bill is a really important piece of legislation. It is a Government measure, and the Government is naturally responsible for its fate. If the honourable leader of the House will rally his forces and have them on deck at the opportune time, there is no question that we on this side of the House have a sufficient force to enable him to carry the Bill as it came to this Chamber from the House of Commons. I would like, therefore, to have some assurance from the honourable leader of the House that this Bill will be given precedence before the Committee on Banking and Commerce when that Committee meets.

Hon. Mr. DANDURAND: I am not in a position to state that the Committee would follow my advice with regard to the list of

Bills before it, or in what order they would be taken up. However, I am authorized to inform my honourable friend that the Grain Bill—and perhaps I may say the same of other Government Bills that have been sent to the Committee—will be returned to this Chamber and dealt with before prorogation takes place.

PRIVATE BILLS

THIRD READING

Bill 72, an Act respecting a certain patent of Enos Henry Briggs.—Hon. Mr. Béique.

FIRST AND SECOND READINGS

Bill Y7, an Act respecting the Stirling Trusts Corporation.—Hon. Mr. Buchanan.

Hon. Mr. BUCHANAN moved the second reading of the Bill.

Hon. Mr. LAIRD: Explain.

Hon. Mr. BUCHANAN: It is a Bill to increase the capital of the Company from $1,000,000 to $2,000,000.

Right Hon. Sir GEORGE E. FOSTER: That is moderate.

Right Hon. Mr. GRAHAM: One year's profits.

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

SECOND READING

Bill 106, an Act to incorporate the Premier Guarantee and Accident Insurance Company of Canada.—Hon. Mr. Casgrain.

SECOND AND THIRD READINGS

Bill 110, an Act to incorporate the President of the Lethbridge Stake.—Hon. Mr. Buchanan.

Hon. Mr. BUCHANAN moved the third reading of the Bill.

He said: Honourable gentlemen, may I be permitted to suggest that this Bill, which has just received its second reading, should be given third reading, on account of the fact that it was considered in Committee and passed the Senate last Session, but did not receive the Royal Assent. There are no changes whatever in the measure.

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

Bill 112, an Act respecting the Bronson Company.—Hon. Mr. Belcourt.

Hon. Mr. BELCOURT moved the third reading of the Bill.

Hon. Mr. DANDURAND: Would my honourable friend explain? He did not do so on the second reading.

Hon. Mr. BELCOURT: The Bill, as I understand, merely asks for an increase of capital. This Bill came before both Houses last Session. It was one of the innocents slaughtered at the last moment.

Hon. Mr. DANDURAND: It passed both Houses?

Hon. Mr. BELCOURT: Yes. It is merely for an increase of capital.

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

Bill 120, an Act respecting Joliette and Northern Railway Company.—Hon. Mr. Beaubien (for Hon. Mr. Gordon).

Hon. Mr. BEAUBIEN moved the third reading of the Bill. He said: Honourable gentlemen, this Bill was passed by both Houses last year and just came short of sanction.

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

Bill 143, an Act to amend an Act respecting the Brandon, Saskatchewan and Hudson's Bay Railway Company.—Hon. Mr. McMeans.

Hon. Mr. McMEANS moved the third reading of the Bill.

He said: Honourable gentlemen, this Bill is merely to enable one of the small railway companies in Manitoba to take over a spur of the Manitoba Great Northern. Two or three spur lines were built into Manitoba. In one case I think the rails have been taken up altogether, or the C.P.R. has taken over the spur, and the other spur lines are operated by two different companies. It is proposed to allow one of the companies to take over the other spur line, so that they all can be operated by one company. I believe the Bill has passed the House of Commons, and there seems to be no objection to it.

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

Right Hon. Sir GEORGE E. FOSTER moved the second reading of Bill 153, an Act respecting the Baptist Convention of Ontario and Quebec.

He said: Honourable gentlemen, this is a Bill which has come to us from the other House. It was taken up before the Com-

mittee there. As with most Bills, there were two sides with reference to the principle of the Bill, and the two enactments which it contains. Both sides were heard very thoroughly, and the Committee passed the Bill unanimously, and sent it to the Commons. It came up for passage on the regular order, was debated shortly and was passed without a dissentient vote. Through that order of procedure it has come to this House.

There is no demand from either party, for or against this Bill, to be heard in Committee of the Senate, and I should think, taking into consideration the manner in which it has been dealt with in the other House, that the Senate might take the Bill upon its merits and pass it.

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

Right Hon. Sir GEORGE E. FOSTER moved the third reading of the Bill.

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

CIVIL SERVICE SUPERANNUATION BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 231, an Act to amend the Civil Service Superannuation Act, 1924.

He said: Honourable gentlemen, this Bill contains a certain number of amendments to the Civil Service Superannuation Act of 1924. When it passes its second reading I will suggest, that it be sent to the Banking and Commerce Committee.

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

CIVIL SERVICE ANNUITIES BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 232, an Act to provide annuities for the Widows of certain Civil Servants.

He said: Honourable gentlemen, I moved that the Bill to amend the Civil Service Superannuation Act be referred to the Banking and Commerce Committee, and I do likewise in the case of this Bill, because the Bills that came before us two years ago covering these Acts went to that Committee, and we had there the Superintendent of Insurance, who drafted these Bills, to explain them to us.

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

Hon. Sir GEORGE FOSTER.

CUSTOMS BILL

REFERRED TO BANKING AND COMMERCE COMMITTEE

On the Order:

The House in Committee of the Whole on Bill 172, intituled: an Act to amend the Customs Act.—Hon. Mr. Dandurand.

Hon. Mr. DANDURAND: Honourable gentlemen, I realize the difficulty in dealing with this Bill in Committee of the Whole. It covers quite a number of amendments which alter, and in some cases increase, the penalties for offences against smuggling and other infractions of the Customs regulations. I am convinced that we shall make far more progress if I move that the House do not go into Committee of the whole on this Bill, but that it be referred to the Committee on Banking and Commerce. There we will have the officials of the Departments, who will be able to answer all quiries, and give the history of the application of this Act and its chequered career through the Courts.

The motion was agreed to.

DIVORCE BILLS

SECOND AND THIRD READINGS

Bill B7, an Act for the relief of Amelia Chester.—Hon. Mr. Willoughby.

Bill E7, an Act for the relief of Elsie Adams.—Hon. Mr. Willoughby.

Bill F7, an Act for the relief of Frederick George Elliott.—Hon. Mr. Willoughby.

Bill G7, an Act for the relief of Sidney Alfred Tyers.—Hon. Mr. Willoughby.

Bill H7, an Act for the relief of Margaret Ann Hall.—Hon. Mr. Willoughby.

Bill J7, an Act for the relief of Electa Minerva Meades.—Hon. Mr. Willoughby.

Bill K7, an Act for the relief of George Allan Swift.—Hon. Mr. Willoughby.

Bill L7, an Act for the relief of Kathleen Maud Cotton.—Hon. Mr. Willoughby.

Bill M7, an Act for the relief of Gertrude Thompson.—Hon. Mr. Willoughby.

Bill N7, an Act for the relief of Jessie Isobel Davidge.—Hon. Mr. Willoughby.

Bill O7, an Act for the relief of Zelpha Evyleen Root.—Hon. Mr. Willoughby.

Bill P7, an Act for the relief of May Alice Moorhouse.—Hon. Mr. Willoughby.

Bill Q7, an Act for the relief of Charles Auguste Brosseau.—Hon. Mr. Willoughby.

Bill R7, an Act for the relief of Celia Kornblum.—Hon. Mr. Willoughby.

Bill S7, an Act for the relief of Alice Elizabeth Fegan.—Hon. Mr. Willoughby.

Bill T7, an Act for the relief of Della Bishop.—Hon. Mr. Willoughby.

Bill U7, an Act for the relief of Cecilia Lucy Holloway.—Hon. Mr. Willoughby.

Bill V7, an Act for the relief of Carl Stanley Ryerse.—Hon. Mr. Willoughby.

Bill W7, an Act for the relief of Samuel Clement Askin.—Hon. Mr. Willoughby.

Bill X7, an Act for the relief of Pearl Lavinia Rorke.—Hon. Mr. Willoughby.

THE IMPERIAL CONFERENCE, 1926

INQUIRY AND DISCUSSION

Hon. W. A. GRIESBACH rose in accordance with the following notice:

That he will call the attention of the Senate to the Report of the Imperial Conference, 1926, and will enquire of the Government in what directions and to what extent it proposes to act upon the same.

He said: Honourable gentlemen, I had scarcely foreseen, when I gave my notice last week, that this very important question would be disposed of so shortly in another place, and that the Government of the day would have turned a political somersault unequalled in the history of our country.

The Report of the Imperial Conference which deals with the matter of status is subject to certain pre-natal influences. They are, briefly, as follows: The revolt in Ireland, carried on for the purpose of separation from the Empire; the agitation of the Nationalists in South Africa, with much the same end in view; and the so-called constitutional question here in Canada, which the Prime Minister of this country threw into the political arena, upon which he conducted his campaign, and by which he got a great many votes, and attracted to himself and his party, in the course of the election, all the separatist influences in Canada. So well did he conduct his campaign that when he arrived in England to attend the Imperial Conference, the reporters, with one accord, asked him but one question: whether or not he was in favour of annexation to the United States.

Now, I turn to the Report of the Committee presided over by Lord Balfour, which is a subject of great interest. The clause around which the greater part of the discussion has taken place is that clause which sets out the status of the various parts of the Empire, and which is as follows:

There is, however, one most important element in it which, from a strictly constitutional point of view, has now, as regards all vital matters, reached its full development—we refer to the group of self-governing communities composed of Great Britain and the Dominions. Their position and mutual relation may be readily defined. They are autonomous Communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the Crown, and freely associated as members of the British Commonwealth of Nations.

It will be obvious at once, having regard to what I said a moment ago as to the pre-natal influences, that this particular part of the Report is a compromise. It represents, first, the desire of the British Government to write, through Lord Balfour, something which would be pleasing and satisfactory to the Separatists, since they, and they alone, were asking for changes; and on the other hand, the desire of the British Government to write something which would be acceptable to Australia and New Zealand.

Now, those who favour separation from the British Empire are strong for formula, or formulae. They believe that when they can secure a formula they have gained ground and consolidated it. On the other hand, the pro-Empire men have little or no regard for formula. They on their part know that the real constitution, the real tie which binds this Empire together, exists in the hearts and minds of the people of this Empire, and not elsewhere.

Now, when Mr. King returned to this country—indeed, before he returned—he conveyed to the waiting world, and to this country in particular, the idea that something tremendous had taken place. He referred to this Report suggesting that it was equal in importance to the Magna Charta and those other great documents upon which the freedom of our people is founded; and he further conveyed to the minds of the people of this country, and the world in general, and particularly to the Americans to the south of us, that this new charter of liberty had been wrenched from a tyrannical and unwilling Mother Country.

Hon. Mr. DANDURAND: Where does my honourable friend find a citation to justify that statement?

Hon. Mr. GRIESBACH: I say that is the inference to be gathered from his remarks—an inference which will be found set out in plain terms in such a periodical as the Literary Digest. And here in Canada the welkin resounded—

Hon. Mr. BEIQUE: May I ask the honourable gentleman if he intends to read to this House any writing from which he draws his inference?

Hon. Mr. GRIESBACH: I could not take up the time of the House. If the honourable gentleman will consult the Literary Digest of the period of November, December, and

January, if he will read some of the leading New York newspapers, he will satisfy himself, I think, that, based on the assertions of Mr. King, some tremendous change has taken place and that from now on we are to be a different sort of country, with a larger freedom, a wider horizon, a newer humanity, and so on, and so forth—largely expressions gathered from Mr. King himself.

Now, I say that here in Canada the whole country resounded with the hosannas of the separatists and their press; but those of us who may describe ourselves as pro-Empire were in nowise disturbed by what we heard, in fact, we were inclined to be somewhat happy in the happiness of the separatists themselves.

This Conference commenced on the 19th of October last and continued until the 23rd. Then on the 10th of December last year we had these words, which are to be found in the Speech from the Throne:

> Members of my Government have just returned to Canada from attending the meetings of the Imperial Conference. The Report of the proceedings of the Conference, together with its recommendations, will be placed before you for consideration.

Then in the speech made by the right honourable Prime Minister on the 13th of December, page 47 of Hansard, we find these words:

> I may say to my honourable friend that the Government intends to put the Report before this House just as it appears, and to recommend its adoption.

We are now approaching the end of the session, and there is no doubt in the mind of anybody that the Government has not the faintest intention of asking this Parliament to adopt the Report, and that it has no intention of implementing the Report by legislation. So, we ask ourselves: "What has become of this very important subject, involving these important changes? What has become of the resounding declarations that were made in November and December by the Prime Minister of this Country, and by the press and all those who supported him in his efforts?"

Now, I have read a section of the Report, and I will read again that part which is particularly germane to this discussion.

> They are autonomous Communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs,

As everybody in this House knows, the British North America Act is the constitution of this country. It is more than that! It is a compact by which the Provinces of this country are brought under the dominion, shall I say, of our Federal Government. And the power to amend that constitution resides in the Imperial Parliament in London, as it always has. My point is this. So long as Canada, in order to amend its constitution has to go to the Imperial Parliament in London, so long are these words in the Report untrue, and therefore inapplicable. How can it be said that we are "equal in status, in no way subordinate one to another in any aspect of domestic or external affairs," if we have to go to the Imperial Parliament for an amendment to our constitution?

I think it may be asserted that there is no difficulty at all in the way of our securing this right to amend our constitution. It has been stated again and again that we may have practically anything we ask for; and it may be assumed indeed, the terms of this clause of the report suggest it unmistakeably—that a simple resolution from the Parliament of Canada asking for the surrender of this power on the part of the Imperial Parliament, and the assumption of the amending power on the part of the Canadian Parliament, is all that is necessary, and that then, so to speak, the trick is done. And what the people of this country expected the Government to do in presenting this Report for adoption was, that they would follow the adoption of that Report by the introduction of appropriate legislation to bring about, in full measure, the independence which would make this document true and applicable.

Why has that not been done? Well, it has not been done for a comparatively simple reason. It has not been done because the Province of Quebec objects. I shall support that assertion by reading briefly from a statement made by the Prime Minister of Quebec on the 14th of January, and carried in the press of that day.

> What does the future hold for us? I do not know, but I pray the men who direct our affairs at Ottawa, and I am sure that it is their view also, to remember that the constitution which rules us must never be changed without the consent of Quebec and of each province, expressed by its legislature. We entered into confederation on certain conditions which we believed necessary for the safeguarding of all that is dear to us.
>
> Language, schools, laws, beliefs and provincial autonomy. One of the clauses of the federal pact is that the Canadian constitution cannot be changed in its essential parts, without the assent of the British government. I believe that this very necessary condition may be even more so to-day than it was in 1867.
>
> I think that fidelity to our British ties is necessary for our national survival, that we should jealously watch over its preservation and that we are not ready to leave it to a

majority of the whole of Canada to say, without the consent of our province, what its future constitution should be.

I am firmly convinced that I am herein expressing the opinion and wishes of our people.

Then I read from an editorial in La Presse:

Think this over: What will become of the guarantees we enjoy under confederation when the Canadian parliament becomes absolutely supreme in the country, and when, as a result the British parliament will have no control over the dominion?

The Canadian parliament, if it so wishes, will have the absolute implicit right to change, prune and amend our constitution. Defenceless, and with no means of redress, we will be obliged to give way before the will of the majority.

In the light of past experiences, is it not right to ask whether the objective sought by some, at least, of the more vehement supporters of this theory is to wield the supreme control, exercised without right of appeal, in order to bring into effect certain aims which they have cherished for many years?

This must give us to think and must also convince us that we should not sacrifice too much for the sake of this fashionable recklessness.

Mere words are sometimes an extremely dangerous form of payment. They provide no funds with which to pay back what has been taken.

Just the other day, on March 31st, the Canadian Press carried a dispatch. I will read part of it:

"We are British subjects, subject to a greater authority," said the Premier.

Hon. Mr. BEAUBIEN: What Premier?

Hon. Mr. GRIESBACH: Premier Taschereau.

"We are British subjects, subject to a greater authority," said the Premier.

Are we to remain that way? I hope so, no matter what Mr. Bourassa may think. Since we are British subjects, then let us be real British subjects and retain the right to go to the foot of the Throne. We are not a nation in the sense that England is a nation, or France. We are in a Confederation made up of different provinces, where there are questions of race, language and religion and matters of jurisdiction, as between Provinces and as between provinces and the Federal Government.

Quebec is right, and right for a certain reason, which I as a Western man will put before you. The West is populated by people why may be divided into three classes. There are those who came from Eastern Canada and their descendants. I think I am within the limits of our statistics when I say that the majority of the people of the West, or a large number of them if not the majority, may be divided into two sub-classes, those who came from the south across the international boundary, and have never seen Eastern Canada, and those who arrived one day in the Harbour of Montreal, took a train in the afternoon, and woke up next morning amongst the Christmas trees of Northern Ontario. Those people know nothing about the surrender of Quebec, the capitulations of Montreal, the various Quebec Acts or the negotiations which led up to Confederation, and they are inclined to regard all this as so much historical "bunk", to quote a distinguished American. They regard all these things as excrescences on the body politic. They are a kindly and generous people, but they are also a ruthless people. Their acts of legislation in their local Legislatures, where they are largely in power, go to show that they are a ruthless people, and they believe that in the interest of efficiency, progress—and progressivism—many of these things should be swept away. Again I say that Quebec is right in this discussion.

Now, the failure of the Government to take action to have the British North America Act amended—the failure of the Government to take the power which I described a few moments ago, as they might easily do, leaves, as I said, this document wholly inapplicable to us and no longer true. The question which we must ask ourselves is, where are we now, and where are we going? What becomes of the flamboyant declarations—for they can be described in no other way—the flamboyant declarations of some members of the Government, headed by the Prime Minister, in December last, with regard to the great changes that were about to take place, in the light of the fact that the Government has broken its word, has not put this report before Parliament for adoption, and has not produced the necessary legislation to give it effect? This is a question which the Government of the day must answer, not only to the people of Canada, but to the world at large; and if it fails to do so it brands itself as an aggregation of busybodies, remarkable only for its ineptitude, and enmeshed in the web of its own industrious futilities.

I describe myself as a pro-empire man. So far as status is concerned, I have little interest in any paper writing on the subject. Chivalrous loyalty is too intangible a thing to be made the subject of a legal document. Men who think as I think, I am confident, will react under certain circumstances in precisely the same way, whether they live in this country or in Great Britain, or in Australia, New Zealand or elsewhere. As I said a moment ago, the real ties that bind this Empire together exist in the hearts and the minds of our people, and nowhere else. But, honourable gentlemen, there is one test of Empire about which there should be no misunderstanding. It is the only test of this

particular Empire. This British Empire differs from all the empires that have preceded it in history. There is not to be found in history any empire such as ours. We are a very loosely knit group of democracies, to all intents and purposes independent, bound together by ties of language and sentiment and a common sovereign. We have our tariffs, our laws, our local customs; we are in all respects independent states; and unless the obligation for mutual defence is accepted and lived up to, we are not on empire—the Empire is a sham. So the obligation of mutual defence is the one real test as to whether or not we are an empire at all.

Mr. Mackenzie King said, about two years ago, that Canada in the future would not participate in an Empire war unless Canada were interested, and then only to the extent to which we were interested. That is Empire on the basis of limited liability; limited liability with respect to Canada, but liability unlimited with respect to Great Britain, Australia and New Zealand.

Now, that is a wholly impossible situation. It is impossible militarily, and it is impossible in international law. It is destructive of empire, and it suggests to hostile diplomacy the means whereby the several parts of this empire may be destroyed piecemeal. It is destructive of mutual confidence, and it is, in particular, repugnant to the sense of generosity of our people. It is indeed faithless to the chivalry of our race.

I lay it down as an incontrovertible proposition that world peace is the chief, the prime requisite and the fundamental concern of this Empire in all its parts. By reason of our geographical situation, by reason of the distribution of manufacturing centres, raw material and natural resources, the maintenance of world peace is a fundamental concern of the British Empire; not only peace between the British Empire and all other parts of the world, but actual world peace—peace among all nations. We have nothing to hope for or to gain in war, and we have everything to lose in war.

There lie to hand before the Empire, certain tasks, and they are to be performed within the next fifty years or so. First of all there is the redistribution of population to ease the congested areas and to populate the waste places within the Empire. Then there is the exploitation of our natural resources. We are concerned also with the progress of self-government among our subject races, and the promotion of order, liberty, justice, progress and material prosperity. In the performance of these tasks and in the happy solution of these problems lies the future of Canada. Again I say that world peace is essential to the carrying out of this program, and our hopes for success is in exact proportion to the length of the period of world peace that lies before us. So important is world peace to this Empire and to all of us, that, paradoxical as it may seem, we must be ready to maintain and support that peace by force—by arms; and, just as in the migration of population and the production and consumption of raw material, capital here and natural resources there—just as in all these problems all parts of the Empire are complementary to each other, so the problem of mutual defence is complementary to, and in no way separable from, all the other problems which confront us.

The first Imperial Conference was held in 1887, and the last is the twelfth. Reading over the reports of these conferences, one becomes impressed with the fact that in all of them the most important question was that of defence. It has always occupied an extremely important position. The armed forces of this country have three main tasks before them: firstly, to maintain order within our country; secondly, to defend us from aggression from without; and, thirdly, to provide mutual aid in Empire defence. At these Imperial Conferences we have agreed again and again to undertake our own defence, and we still remain in default. Upon the question of the mutual defence of the empire we have remained discreetly silent. I attach no great importance to this, because I have before my eyes our record in the late war, when the people of this country rose up and swept aside the politicians with their timidity, their delays and their opposition, and with a surer instinct confronted the emergency as they saw it.

Only under two Ministers of the Government of Canada have we made any substantial progress in the matter of defence. Sir Frederick Borden and Sir Sam Hughes were both men strong enough to force their views upon the Cabinet and upon the House and actually to accomplish something substantial, which brought us to August 1914 somewhat better prepared than we would otherwise have been.

After twenty years of evasion and non-performance we come to this Imperial Conference, and it does not surprise me that the Prime Minister of this country occupies only two pages of the report in what he has to say. On the contrary, I am surprised that he found so much to say about so little. He omitted to tell the Conference that our Permanent Force at the present moment is 3,590 strong, and our Air Force 427; that our Militia in 1924 was 28,500, in 1925 it was 30,205, and in

1926 it was 24,809, somewhat weaker than it has ever been since 1885, as to actual strength. Our meagre aeroplane equipment was given to us by Great Britain, so far as a large part of it is concerned, and most of it is now obsolete. We have no tanks in Canada, no armoured cars, no mortars, no pack artillery, no bombs, no gas defence; there is a shortage of artillery, and we have no reserves of equipment at all.

Hon. Mr. POIRIER: We have the navy.

Hon. Mr. GRIESBACH: Yes. I will discuss the Navy in a moment. If Canada were invaded at the present time our ill-trained and ill-equipped Militia would be overrun by mechanical weapons of warfare, would be gassed without defence, would be bombed out of their positions, and the only plan or hope that our military men have for meeting that situation is that we might have time to secure from Great Britain all the equipment that I have mentioned and the trained personnel to make use of it.

We have in Canada people who very much resent being told that we are dependent upon Great Britain for our defence, and who will refuse to believe it even when they hear it. Surely a consideration of these facts will bring to the mind of every thoughtful man the inescapable conclusion that we are indeed dependent upon Great Britain for our defence.

It will, I am sure, interest the House to listen to the report of the Prime Minister of Australia. I point out that he served as a fighting soldier in the late war, and was decorated with the Military Cross, and his colleague of New Zealand has precisely the same record. The report of the Prime Minister of Australia is found at page 132 of the Appendices of the Summary of Proceedings, and I shall merely read certain extracts from the report in order that the honourable gentlemen may have an idea of the principles which underlie the defensive efforts of that country:

> It is of the greatest possible importance to every part of the Empire, in view of the expanding trade which all parts of the Empire are now enjoying, that the trade routes of the world should be ensured in the event of hostilities breaking out so that our trade will not be dislocated.

Here you have a statement which indicates that the Prime Minister of Australia has before him the world situation, and by implication that wider conception of mutual Empire defence which was absent from the whole of the statements of the Prime Minister of Canada.

Now, I will hurry on to the expenditures of Australia on defence. I have them tabulated here for five years. In the first place, their annual normal expenditure on defence is $25,000,000 a year. In addition, they have a $25,000,000 expansion programme spread over a period of 5 years, resulting in an expenditure of $5,000,000 a year. In addition to that, they have a 5-year naval construction programme, involving an expenditure of $31,250,000. The whole of these expenditures for 5 years amounts to $181,250,000. Their expenditure last year was $36,250,000, and for this year their expenditure will be $40,000,000. They are manufacturing in Australia large quantities of warlike materials, and their reserve of warlike materials is being augmented by substantial orders placed in Great Britain, so that Australian defence forces will have at their disposal not only a complete military equipment, but also substantial reserves of the same with which to supply their armed forces on a war footing.

The Australian navy in commission consists of three cruisers, three destroyers, three sloops, and one repair ship. In reserve they have one cruiser, one flotilla leader, eight destroyers, and one sloop. The Australian air force will attain a strength this year of 1,200 officers and men.

New South Wales are about to build a floating dock capable of docking a 10,000 ton cruiser. They have 134 airdromes and landing grounds already acquired and maintained.

Then, again, the Prime Minister of Australia comes to this question of trade routes. He says:

> It is also the question of sea routes for trade, and I suggest that the question of naval defence is not one that is of primary interest, or I should say not of interest only, to Dominions situated as New Zealand and Australia are, far away in the Pacific, but that it affects every one of them because the overseas trade must be maintained. Anyone who has a knowledge of all the figures showing the volume of the seaborne trade of the different parts of the Empire would come to the conclusion that, if that seaborne trade were interefered with, certainly our economic life, and possibly the whole of our national life, would be destroyed. Consequently, in Australia we take the strongest view that it is the whole Empire that is concerned in this problem and that we all ought to play a reasonable part according to our population and resources.

Now, I want to put on Hansard a comparative statement of the expenditures of the several parts of the British Empire, as found in this report. I will only read the cost per head, and with the consent of the House publish the remainder. Remember that these figures are in pounds:

Expenditure on Defence by Great Britain, Canada, Australia, New Zealand and South Africa

Note.—Except in the case of New Zealand and South Africa, Air Force figures include Civil Aviation.

Country	Year	Arm of Service	Amount appropriated	Population	Rate per Capita of Population	Total per Capita
			£		s. d.	s. d.
Great Britain	1924–25	Navy	55,800,000	47,250,000	23 7	
		Army	45,000,000		19 0	48 10
		Air Force	14,763,000		6 3	
	1925–26	Navy	60,500,000		25 7	
		Army	44,500,000		18 10	51 1
		Air Force	15,800,000		6 8	
Canada	1924–25	Navy	291,666	8,800,000	0 8	
		Army	1,877,520*		4 3	5 8
		Air Force	325,208		0 9	
	1925–26	Navy	291,666		0 8	
		Army	1,877,292*		4 3	5 10
		Air Force	391,844		0 11	
Australia	1924–25	Navy	4,681,000	6,000,000	15 7	
		Army	1,813,990		6 1	25 8
		Air Force	552,408		1 10	
		Other branches, including Munitions Supply Branch.	655,914		2 2	
	1925–26	Navy	5,143,265		17 2	
		Army	1,553,715		5 2	
		Air Force	811,449		2 8	27 2
		Other branches, including Munitions Supply Branch.	644,276		2 2	
New Zealand	1924–25	Navy	333,835	1,320,300	5 1	
		Army	377,189		5 9	11 5
		Air Force	40,365		0 7	
		Other services	2,618		.....	
	1925–26	Navy	444,215		6 9	
		Army	380,509		5 9	12 11
		Air Force	29,856		0 5	
		Other services	2,510		.....	
South Africa	1924–25	Navy	68,765	7,150,000	0 2	
		Army	703,784		2 0	2 9
		Air Force	100,877		0 3	
		Other services	108,317		0 4	
	1925–26	Navy	67,893		0 2	
		Army	635,566		1 9	2 6
		Air Force	93,875		0 3	
		Other services	114,023		0 4	

*Includes £87,500 for Munitions establishments.

Premier Bruce says, in explanation of those figures:

I put those figures in because I think they are of some interest, but the only point I would make is that this is a question in which we are all vitally interested, and I think we are all under an obligation to make the best efforts we can to bear our respective shares, particularly as we have secured for ourselves in the Empire a position of equality of status. I suggest that an equality of status carries with it some responsibility to share the common burden of defence, as a set-off against the great advantages we have received in recent years from our connection with the Empire.

Now, running through that report there are two thoughts to which I desire to direct the attention of the House. The first thought, to be found in the New Zealand report as well as the Australian, is that those people have no conception of Empire on the basis of limited liability. They regard their liability in Empire defence as limited only by their population and resources. The second thought, which is more than apparent, is that the Australian navy, in its present size and efficiency, occupies a position on the flank of a potential enemy of this country, and to that extent the Australian navy now participates in the defence of Canada.

The Australian army and air force, in its present state of efficiency and equipment, is a threat to any potential disturber of world peace, and to that extent the Australian army and air force contribute to the defence of Canada. The navy I have discussed. The Australian navy may exercise pressure for the defence of Canada without a single Australian ship ever entering Canadian waters, and honourable gentlemen will see that the army is

in the same position. I have pointed out that we are dependent upon Great Britain for our defence so far as equipment and reserve equipment are concerned. Now I say that in addition to that, day by day, as the years pass, we are becoming under obligation to our sister Dominions of Australia and New Zealand for our defence on the western side.

Year after year the defence estimates of this country are voted, and I venture to assert that not one man in ten in Canada knows what the amount is, or what is done with the money, or what principle is involved in voting any money at all—whether it is based upon the idea that there ought to be a proportion of our annual revenue and expenditure, or whether it is based on some other principle. Nobody knows, and apparently nobody cares. One would have thought that by this time, as the result of all these conferences, it would have occurred to the Government that somebody should settle down and discuss the matter from the standpoint of our duty, obligations and resources.

Hon. Mr. CASGRAIN: We are going to have an air force.

Hon. Mr. GRIESBACH: Yet we have no policy and no plan. We have a negligible navy—a navy which is regarded as a joke, even in this country. We have a feeble air force, an emaciated army, a militia soured by the neglect and indifference of the country.

I have for years suggested that we might well have a joint Committee of the two Houses who would discuss and consider the whole question of defence. Adam Smith said, "Defence is greater than opulence." Surely the matter of defence is of as great importance as banks, or trade and commerce, or any of the other committees that sit, such as the joint Committees on the Library of Parliament and the Parliamentary Restaurant. Surely defence is of as great importance as any of those other subjects. Such a Committee as I suggest would discuss the problem of defence, evolve plans, find out where we stand, and deal with the matter on a non-partizan basis. The educational value of such a Committee to the members of Parliament and country would be of great importance.

I know that in the matter of defence Governments get nowhere unless they have public support. Members of Parliament are not interested unless they have reason to believe that the public are interested. Now I want to read to the House some extracts from the press to show that in connection with this subject of status, the new nationhood, etc., this question of mutual defence came up instinctively amongst thoughtful men. The newspapers from which I am going to read are to be found in all parts of Canada. First I will take an editorial from the Edmonton Bulletin of November 24, 1926; I will read only a part of it:

> It also means that the Dominions will have to take a more candid attitude on the question of defending themselves than they have hitherto done. In the past, while we have resented the suggestion of "colonials" we have left it to the British tax-payer to stand the cost of protecting our coasts and maritime interests, to maintain the only standing army in the Empire, and to bear the major part of the cost of developing air defence forces.
>
> There will have to be a change in that respect. Britain as the wealthiest partner in the enterprise will continue to bear the heavy end of the cost, undoubtedly. But the Dominions can no longer pose as colonials when the question of defence comes up, and the question of paving for it.
>
> We may as well understand at the outset that Canada, and each of the other self-governing Dominions, will have to undertake to provide its own defences at sea, in the air and on land, or will have to contribute ite proportionate share to a common fund to maintain these defences or such of them as may not be undertaken locally. In either case it amounts to the same thing. We shall have to go down into our pockets for the price of our national security.

Then, on the 22nd December the Bulletin stated:

> The consideration of Imperial defence is the next logical step in the evolution of the Empire organization. It will necessarily be a matter in which all the Dominions will be expected, and will expect, to take a part, since they have assumed all that goes with equality of political status. And toward that common purpose there is now no excuse for any Dominion to refuse or neglect to contribute its proportionate share.
>
> The Dominions have not stepped out of the Empire. They have stepped into full membership, and all that implies.

Here is an editorial from the Calgary Albertan, which is of special importance. It discusses resolutions offered by the Farmers' Convention deprecating military expenditure, and in part it says:

> As matters stand there is no class in Canada which has such important interests outside Canada than have the farmers. They do business with people across the seas, and must do business with them to live. Ten years ago the price of wheat in Canada was $2.40 per bushel. But it was only worth that, or worth anything, because it was possible to ship it to Great Britain. Had the sea routes not been open wheat would not have been worth growing on the prairies, and destitution must have spread all over the Dominion in consequence.

So it goes on to urge that without delay the question of Imperial defence should be taken up, considered, and dealt with The Ottawa Citizen has an article on similar

terms. The Toronto Globe, in its issue of November 24th last, devotes an editorial to the subject, and concludes with these words:

The decisions arrived at by the Conference have, of course, to receive the sanction of the various Dominion Parliaments, and when they are brought up for discussion at Ottawa they should be the subject of serious debate.

This is with reference to mutual defence.

Now, it is to be observed in reading these editorials that running through them all there are two ideas—self-respect and self-interest. We are a trading nation; the life-blood of the country flows through the channels of trade, and as we increase our commercial interests and our trade and commerce, so we multiply those contacts with the outside world which so frequently lead to war. Our people are beginning to understand that we must play a larger part in the world than we are playing, and that self-respect demands that we shall cease to depend on others. Politicians in Canada have for many years run away from the question of defence as though it were a plague. That is creditable neither to their courage nor their professions of statesmanship. Defence in all ages has been the main preoccupation of statesmen.

Hon. Mr. HUGHES: But the nations are growing wiser now.

Hon. Mr. GRIESBACH: There is no evidence that we are getting wiser. The nations of the world were as wise 2,000 years ago as they are to-day.

Hon. Mr. LYNCH-STAUNTON: They were as foolish as they are to-day.

Hon. Mr. GRIESBACH: They may have been as foolish, but the finest philosophy, the finest poetry, and the greatest thoughts were given us 2,000 years ago. There is not the slightest doubt that we do not grow wiser as we grow older. We are a badly spoiled people. We occupy a certain geographical position which appears to give us immunity. We have grown up under the shadow of a great Empire, and we have never really felt insecurity. From the future which I outlined some time ago, the participation in this development of the Empire, the tasks that are to be performed, we cannot escape even if we would. Our position and our history force it on us. The blood of two virile nations courses in our veins, and ensures to us courage, energy and high purpose. The need of the present hour is leadership worthy of our country and worthy of the future that is before us.

I believe in the British Empire; I believe in Canada. I believe that the British Empire is the best league of nations. I believe in the honesty and humanity and wisdom of the leaders and people of the Empire. I believe that Canada's highest and best destiny is to be found within the British Empire, and that the ties which bind us together should be strengthened, and not weakened. I believe that the peace and happiness of the world rest largely in our hands.

Speaking in South Africa, as reported in the London Times of the 16th of December last, that great statesman and gallant soldier, General Jan Christian Smuts, spoke the following words:

It may be that the status will be exploited for party purposes in South Africa, but the truth is that the status has been won, not by words of statesmen but by the deeds of their soldiers, who lie in thousands on the battle fields of the world. If to-day we in South Africa are all agreed on the constitutional question, let us raise our heads in proud gratitude to the men who gave their lives for this status.

Strange to say, in another part of the world, and from the lips of quite a different sort of man, the Hon. Robert Forke, fell the following words, as reported in Hansard of the House of Commons of June 9, 1924, page 2953:

But that is not the reason, I say, why we have attained our present position. Canada has attained the position she occupies to-day through the gallantry of her sons on the field of Belgium and France and through the large sacrifices which Canada has made.

Ten years ago this very day Canada's incomparable army moved up through the communication trenches to the assault at Vimy Ridge. Ten years ago next Saturday, Canada stood triumphant on the eastern slopes of Vimy Ridge and looked down on the cities of the plain. Four hundred thousand Canadians fought in France, and there sixty thousand of them sleep their last sleep. In one sense it may be said that they fought for France; in another sense it may be said that they fought for Canada; but who will deny that in the larger sense they fought for this conception of Empire? These men, their friends and their relatives are a majority in Canada, if not in quantity, at least in quality. They are the very cream of the population of this country. The thought I desire to emphasize—and with it I will conclude—is, that in this discussion of the constitutional status of this country there is a point beyond which tinkering politicians and separatist manoeuvrers may go, only at their peril.

Hon. JOHN LEWIS: Honourable gentlemen, I intend to offer a few remarks upon the Imperial Conference, based in the main upon the official report which we have before us.

To begin with, the Imperial Conference was not called because of any demand from the Government of Canada. Our representatives attended it in response to an invitation from the British Government. When it was suggested that it might not be convenient for them to attend, public opinion expressed itself strongly to the effect that it was their duty to go, and their refusal to do so would have been interpreted as an act of discourtesy, and as displaying an indifference towards common British aims.

Now, what was the spirit in which our representatives undertook the duty laid upon them. In a speech made at Quebec, on his way to the Conference, the Prime Minister said that the representatives of Canada were going to the Conference in a spirit of goodwill toward Britain and the other Dominions; that they had not a single grievance; that they had no demands to put forward, but were prepared to coöperate with others in the spirit which they believed would be common to all. That was the Canadian view.

What was the view of the Government of Great Britain? As the Canadian representatives did not raise the question of status, who did raise it? Those who have not read the Official Report, may be surprised to learn that it was first raised by the Prime Minister of Great Britain. I quote from the speech made by Mr. Baldwin at the opening of the Conference on October 19th, 1926. He said:

I have referred to the constitutional developments during the past forty years and to the corresponding growth of the importance of the matters which have come before successive conferences. This growth is the outcome of the very conspicuous and far-reaching change which has taken place during that time in the relations between the component parts of the Empire. Coupled with a continuous process of extension of self-government and development of national consciousness there has been a continuous necessity for adapting the relations to the altered state of affairs. It is in guiding this growth and in assisting this adaptation that, above all, the value of successive and increasingly frequent conferences has lain. Without them it is hardly conceivable that the changes of the past forty years, so far from weakening the ties which bind the Empire together, should have contributed that fundamental unity and strength which displayed itself to the amazement and admiration of the world during the four years of the war—a war of whose sacrifices we have been reminded by the solemn ceremony which we attended together this morning. Without them it is hardly conceivable even that changes could have been effected, as from time to time they become necessary, with so little inconvenience.

We have here a remarkable situation. Instead of Canada making demands, and the British Government resisting, or reluctantly consenting, you have a diametrically opposite situation, a very satisfactory situation for all who desire friendly relations between the various constituents of the British commonwealth. You have the Canadian Prime Minister saying, "We have no grievances, we make no demands." Then on the other side, you have the Prime Minister of Great Britain, on his own initiative, raising the question of status and emphasizing the necessity for adapting the relations between the Governments of Great Britain and those of the Dominions to the altered situation due to the growth of the Dominions—accepting the consequences of growth, not reluctantly, but cheerfully. Bear in mind that these remarks were made at the very opening of the Conference, and, therefore, could not have been due to any pressure or prompting of the delegates from Canada or any other overseas Dominion. It was Mr. Baldwin's own original unprompted utterance. He seems to have struck the keynote of the Report of the Conference, and he might almost be regarded as the author of a passage in the Report, which has been quoted as expressing in a few words the status of the Dominions, and from which I may take a few extracts:

They are autonomous Communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the Crown, and freely associated as members of the British Commonwealth of Nations.

That seems to me to be exactly in accord with what Premier Baldwin said.

A foreigner endeavouring to understand the true character of the British Empire by the aid of this formula alone would be tempted to think that it was devised rather to make mutual interference impossible than to make mutual coöperation easy.

Such a criticism, however, completely ignores the historic situation. The rapid evolution of the Oversea Dominions during the last fifty years has involved many complicated adjustments of old political machinery to changing conditions. The tendency towards equality of status was both right and inevitable.

Then, to complete the story, I read what Mr. Baldwin said at the conclusion of the Conference:

This Conference—and I say this with some humility in the presence of Lord Balfour, whose memory goes back so much further than

mine—this Conference has been marked by as fine a spirit as any Conference that has ever met in this country, and I think the progress that has been made may be measured not so much perhaps by the written words, as Mr. Coates said—important as those written words are—but rather by the refreshment of the spirit in every corner of the Empire, a spirit in which I hope the work will go forward in years to come.

That was Mr. Baldwin's view of what was done. What of our own Prime Minister? I have seen it stated more than once that he, or some of his friends, went about boasting that they had drawn a new Magna Charta from the hands of an unwilling British Government. I have never heard or read any utterance which gives the slightest ground for that assertion. So far as I know, anything the Prime Minister has said has been of a diametrically opposite kind. He has emphasized the fact that every resolution and every line of the report had the approval of all the members of the Conference. It is true that he compared the report of the Conference with the great charters of freedom recorded in British history, but this was done in anything but a boastful way.

I quote now from what the Prime Minister said in another place on December 13th:

I think it is true that all the great charters of freedom in British history have for the most part not purported to introduce anything new or revolutionary. They have purported to be a statement of those rights which the citizens of the day believed were theirs and which they regarded as established. They were a formal statement which could be appealed to by future generations as indicating the point of agreement that had been reached with respect to the several matters with which they dealt. In that particular, I believe the work of this conference will take its place in history, so far as the statement of interimperial relations is concerned, by the side of those great charters which have stood in one form or another for a larger freedom. I believe this great conference, once party controversy is removed and we get a true perspective of it, will stand out in history as a conference which has revealed how broad, deep and enduring within the British Empire are the foundations of national autonomy and imperial unity.

From this it will be seen that, when he compared the Report of the Conference with the great charters of British freedom, it was not in the sense that it was extorted from unwilling hands, but in the sense that it was not new or revolutionary, but a confirmation of rights already established.

I have made these quotations in the interest of historical truth and accuracy, but I do not wish to be understood as adopting an apologetic tone, or trying to shift responsibility from the Government of Canada to the Government of Great Britain. I do not agree that there would be anything alarming in enlarging the bounds of freedom, or in any progress towards equality of status. A very important step of that kind was taken some eighty years ago when responsible government was won for Canada after a keen controversy. It is the general verdict of history that this measure not only insured local freedom but strengthened the bonds of British unity.

But apart from political and constitutional changes there is a process of nation building which moves steadily, sometimes unconsciously, toward equality of status. I will not weary you with figures, but ask you to compare the situation of Canada to-day with that of 1867, in regard to the production of our farms, our forests, our mines and our factories, and also with regard to railway mileage, domestic and external trade, banking, insurance, and other activities. We cannot stop the process, if we would, unless we are willing to check the material progress of Canada. Every new mile of railway built, every acre of new ground broken for agriculture, every mine opened, every new factory, store, college, or church, takes us forward in the progress toward equality. Consider the fact that before the war this country had a debt of less than $400,000,000, mainly owed to creditors abroad, and that now the debt of about $2,250,000,000 is carried mainly in Canada. That change attracted much less attention than discussions about the flag, or the appeal to the judicial committee of the Privy Council, but, as an evidence of growing financial strength, it is of enormous importance.

The description of Canada as occupying some kind of infantile relation toward Great Britain is a mere absurdity. Many years ago, Lord Dufferin, one of our eloquent Governors, referred to Canada as an infant nestling at the feet of her majestic mother. One wonders how, even at that time, bald-headed and whiskered men could have received this remark without a smile; but to-day it would be regarded as a howling absurdity. It would remind one of a once favorite poem entitled, "Rock me to sleep, Mother!" and containing the lines:

"Backward, turn backward, O Time, in your flight,
"Make me a child again, just for to-night."

—a very beautiful and appropriate sentiment for a tired and discouraged woman, but one hardly fitted for Canadians either as individuals or as a nation.

The objection is made that while Canada demands or accepts equality of status, it evades the obligation to pay for defence. That proposition I deny. I contend that in the late war

Canada's contribution of men and money was greater than that of any independent country outside of the cockpit of Europe, and proportionately greater than that of the United States. I also contend that all through the history of Canada this country has been the reverse of a burden to the British Empire as a whole. All the wars in which we have taken part have arisen from causes outside of this continent and over which we had no control. The war of 1812-13-14 was a by-product of the Napoleonic wars. The Fenian invasion of 1866 was a by-product of the quarrel between England and Ireland. We took part in the South African war, with the causes of which we had nothing to do; and the part we have taken in the late European war I have already referred to. As to the past, I am quite satisfied with the Canadian record. The future, as to defence, is too large and complicated a question for me to discuss.

Hon. GEO. LYNCH-STAUNTON: Honourable gentlemen, the further discussion of the Imperial Conference is, to my mind, not as necessary as it was, perhaps, immediately after the Prime Minister returned from England, because I think the discussion which has taken place in the public press and in Parliament has given us what we did not have before—a proper view of the position of Canada within the Empire. We have come to realize now that the Imperial Conferences are a mere bonne entente, a meeting of the Premiers of the various Dominions, and of Great Britain, for the purpose of getting together, as they say, and talking things over, and incidentally enjoying the festivities which attend such occasions. But their conclusions are of absolutely no importance whatsoever so far as the Empire is concerned. The only result which these conferences can bring about is better feeling, if that is necessary, and I think it is not, among the various component parts of the Empire.

We have, however, derived a benefit from this last Conference; but the conclusions arrived at are only the culmination, or the completion, or the rounding out of the doctrines which have pervaded the discussions that have taken place ever since those Conferences began. Mankind is always very jealous about his precedence. It is not only at dinner parties that bitterness is felt if one person is asked to take a seat above another. The feeling seems to be embedded in the human mind that someone else is always trying to take a higher seat at the table, and that one is being put into a lower place. As a result, one is always asserting one's equality. Consequently, it is natural enough that parts of a great Empire, whose centre is in the British Isles, and which have grown out of colonies should say: "We are not colonies any more we are on an equal status with everyone else within the Empire." So we are. But that is not a modern development. The British North America Act changed the whole status of the British Empire beyond the seas. The British North America Act was a structure built upon the principles of empire government laid down, by Edmund Burke, and fashioned by Lord Durham in his report. The British North America Act recognizes, I think, that the Empire is one and indivisible; that one portion of the Empire does not stand the least bit above the other. To be a British subject in Canada is the same as to be a British subject in Yorkshire; it implies the same rights, the same privileges, the same status, and it grants no status outside the British Empire other than that which is possessed by a man in Yorkshire. The British North America Act confers upon the Canadian Parliament and the Provincial Legislatures the full and absolute power to make laws for the peace, order and good government of Canada. It is impossible for that Act to give us the power to make any laws affecting any other portion of the Empire. It gives us the right to make laws which affect our own portion, and it cannot give us any more power.

To my mind that means just this, that it is recognized that responsible and parliamentary government shall prevail throughout the Empire so far as possible, but that there shall be only one Parliament, under one King; that those members of the Parliament of the Empire that are elected in Canada shall sit in Ottawa, the Canadian Capital, for the purpose of making laws for those who are within this section of the empire; that those who are elected in England and Scotland shall go to Westminster to make laws for that section of the empire—and only for that section—which is within the British Isles; and so for Australia, New Zealand and South Africa. England makes no laws for any of what we call the self-governing communities, any more than we make laws for any of the other dominions.

But to say that we are a nation is merely tickling our vanity with a false statement. We are not, and we do not desire to be, a nation. We are one of the parts which make a nation, and that nation is the British Empire. I do not know of any governmental or legislative or other function exercised by us to-day which we did not have as much power to exercise when the British North America Act came into force. It is said that we have appointed an ambassador, and that that is

an evidence of our nationality. We have not appointed an ambassador. We cannot do so. England cannot give us power to appoint an ambassador in the true and proper sense of the word, for an ambassador is one who goes forth to represent an independent state. Some people say it is to lie for the good of his country. He makes treaties and conventions with a foreign nation. Mr. Massey cannot be an ambassador. He cannot make a treaty, because a treaty is an agreement or contract made between two independent states, for the benefit of their respective peoples. It is not recognized in international law that an agreement or convention is a treaty unless it is something which binds the whole nation. Treaties are confined absolutely to matters of peace and war and to agreements made between the heads of states to keep inviolable the property of one nation when it is within the territorial limits of another. All other agreements are mere conventions or contracts. I venture to say that it is no new doctrine that if we wished we could borrow $1,000,000 from the United States. We could always make an arrangement of that sort, and have always done so. Such arrangements are mere commercial or personal agreements between us. And we can make a contract with any nation on earth regarding tariffs, or the borrowing or lending of money, or anything except the breaking up of the states or the declaration of war or peace.

How a people can be said to be part of an empire and at the same time to be an independent nation passes my comprehension. We are only throwing sand in our eyes when we talk in that way. We are a people one and undivided, and may God grant that we remain an undivided people for all time.

The honourable gentleman from Edmonton (Hon. Mr. Griesbach) said that the reason why nothing was to be done under this convention was because Quebec objects. Well, I think that I may say, as coming from Ontario, that Ontario, just as much as Quebec, appreciates its own rights and its own position, and objects to the Dominion Government or the Dominion Parliament entering into any agreement to change our Magna Charta, the British North America Act. That was a bargain between the British Parliament and the various Provinces which made up Confederation. The Dominion of Canada is the contract, and they are the contractors, and they alone are able to change or modify the contract in any way

In my opinion the great benefit which has come to us from the Imperial Conference is that it has clarified the situation. I have read, at least in part, the debate in the House of Commons. On all hands it is now admitted that the Dominion Parliament has no power or authority to request the English Parliament to change our constitution; that any suggestion of that kind must emanate from the parties who made the contract, that is, the various Provinces. We have heretofore been in the habit of applying to England with an Address from the House of Commons and the Senate to amend the British North America Act, and apparently the English Parliament has acted upon such an Address. That procedure was utterly and absolutely improper on both sides, and because it did not seriously affect the Provinces they did not protest.

Hon. Mr. HUGHES: But they have not waived their rights by acquiescence.

Hon. Mr. LYNCH-STAUNTON: I think you will find that hereafter, even in minor matters, no Dominion Government or Dominion Parliament will have the impudence to apply for any change in the Act of Confederation without the consent of the various Provinces of this country. To my mind, we have been brought to an understanding of what is the actual right of the Parliament of Canada. The Federal Parliament is everlastingly, in my judgment, trespassing upon the rights of the Provinces. Because it is the business of no particular Province, the Federal Parliament has been allowed, time and time again, to do things which it has had no authority or right to do. If there is one right more than another of which the Provinces should be jealous. it is the right to make those applications to the British Parliament. It has been said a moment ago that by acquiescence they have not given away their right. I do not know what might be the result in time. The British North America Act says that our Government is founded on the principles of the English Constitution, and it has been said, in resounding phrase, that the British Constitution has broadened slowly down from precedent to precedent. We are legislating not merely for months or years, but, I hope, for centuries, and with regard to the practice which we have been following in extending or changing our Constitution, it may be pointed out in the future that the Provinces have recognized that in the Dominion resided the sole and exclusive authority to apply for constitutional amendments. I may be wrong, but I know of no record of the Dominion Parliament having ever deigned to consult the Provinces with regard to its applications for amendment of the British North America Act

Hon. Mr. BEAUBIEN: I would like to move the adjournment of the debate.

Hon. Mr. DANDURAND: I would suggest that my honourable friend proceed with the debate. I am quite sure that he has clear enough views on the subject to be able to state them to us without any lengthy preparation. I am agreeable to our calling it 6 o'clock and allowing my honourable friend to present his views at eight. I see in the remaining days so little time to devote to this interesting debate that I would urge upon my honourable friend that he try to help me in closing this debate this evening.

Hon. W. B. ROSS: I think my honourable friend (Hon. Mr. Dandurand) will find that there will not be many speakers. If the question is continued until to-morrow, we can dispose of it.

Right Hon. Sir GEORGE E. FOSTER: There is a little difficulty in my mind about this thing. My honourable friend who leads the Government intends to close the debate. In reality the debate only commences when the Government's position is explained to this Chamber. When the Prime Minister, in a speech in the other House, explained the policy of the Government, the relation of the acts of the Conference to our affairs, and all about the subject, he did not close the debate; he only placed before the other House certain information from an authoritative source, with his comments upon it, and this made an intelligent debate possible. My honourable friend from Edmonton (Hon. Mr. Griesbach) has introduced this inquiry and made his statement upon it; but every sentence of his statement to a certain extent challenged a reply from the Government as to why this and why that. Until the desired information is before the House, how is it possible for us intelligently to debate the question? Therefore I think that my honourable friend will have to take the position that he represents the Government here. There are some things about this question that we in this House do not understand, and we desire explanations and an authoritative statement of the idea of the Government with reference to them. I do not think my honourable friend (Hon. Mr. Dandurand) can close off all debate without putting the Government right with this Chamber, in that respect, and then allowing comment.

Of course the discussion is all very hurried and very flurried. The debate in the other Chamber did not take place until Parliament was well on towards prorogation and every member of either House had been advised to pack up his traps and get ready to go home, and a date was set on which we might go. This House could not have any authoritative explanation of the matter until the Prime Minister, in the other House, had presented the Government's case, giving a statement of how they acted, and the reasons why they acted so. Now we have come still closer to the time when our duds are to be packed up and we are to leave. My own mind runs along in this direction: that the wisest thing for honourable members of the Senate to do is to take the summer to think over the whole matter, and to come back at the beginning of our next Session prepared for a thorough and satisfactory discussion upon it; for certainly, in all respects, our position is not a happy, not a proud one.

It may be that the Government relies upon the fact that everything cannot be carried out in the course of a week, a month, or even a series of months. There were a dozen or more paths yet to be traversed and explored before those Conference delegates in London could build up the structure of which they had laid the foundation. To my mind there is in this whole question a most tremendous burden of responsibility laid upon the Government of the day, and it has a great many things to do in order to place this matter in the very best shape for the overseas Dominions, as parts, and for the Empire as a whole.

These are merely thoughts that run through my mind at the moment, as an Imperialist from boyhood—an Imperialist not in a vicious sense, or in an over-proud sense, but one who believes absolutely in the Empire which we have had for 60 years in our experience, and which will remain for centuries after this, after all this froth that has blown up with the winds from this or that direction. It is the strength of the Empire which is the strength of the overseas Dominions. It is the Empire itself which is the vital and strong and eternal thing in our civilization.

Now that some bonds have been loosed, there is much to do in making others stronger still, and in making practical application of the freedom which we have had for years, and now have in no greater degree. The various parts of the Empire must be drawn together by a nexus which cannot be severed, that they may form an association strong and indissoluble, with the vital power of a united Empire whose warrant runs through all the British Dominions.

But I rose for the moment to say that I did not think my honourable friend could close this debate. Points have been put in

questions raised, and answers are required; then there must be comment and discussion in reference to them. We have not much time to do it now, but we may all live to another year, and perhaps be in a better position to undertake a real and thorough discussion of this matter.

Hon. Mr. DANDURAND: My honourable friend has not understood that I did not intend to close the debate until every member who desired to speak had done so. I am not hurrying.

Right Hon. Sir GEORGE E. FOSTER: My honourable friend misses my point: I want him to speak. I think he should have spoken immediately after the member for Edmonton (Hon. Mr. Griesbach) sat down, and should have given the Government's exposition, and that then every member who wanted to speak should do so with this fuller basis of information.

Hon. Mr. DANDURAND: Well, I have simply followed the tradition of this Chamber. An inquiry is put on the Order Paper which calls for some statement from the Government, but all such inquiries are in a form which allows the members to participate in the debate. The representative of the Government has always waited in order to make his statement, until the discussion was closed. I did not see any reason why I should alter the procedure which has been followed in this House.

My right honourable friend says that I might have made my statement in answer to the inquiry of my honourable friend from Edmonton, but he knows very well that the position of the Government has been stated elsewhere, for he has referred to that fact. He knows what is involved in that position, and he can draw his conclusions from the statements that have been made. He is entitled to an official statement in this Chamber, but I intended it to come as a reply to this inquiry and the various comments made in reference to it. Of course, I feel that I must answer in such a fair way as not to give rise to the complaint that I have taken advantage of being the last to speak and have made statements that need to be answered. I will promise not to offer new matter, except in so far as it may be found in the official answer called for by this inquiry.

Hon. Mr. BEAUBIEN: Honourable gentlemen, I think everybody will admit that the subject before the House is one of extreme importance. Besides no one will deny that the Prime Minister promised that it would be submitted to Parliament. But I cannot understand why Parliament should be consulted through only one of its chambers concerning a matter of such paramount importance as this, referring directly to the constitution of the country. If, of the two Houses, one has been specially entrusted with the safeguarding of our Constitution, surely it is the Senate. My honourable friend, the leader of the Government, knows perfectly well that the Senators were entrusted in a special manner with the duty of preserving the rights of Provinces as they exist through Confederation.

For my part, I cannot understand why the Government of its own initiative did not bring this matter before the Senate as it was submitted in the other House. I cannot understand why the Senate has been completely neglected in a matter which specially pertains to its care. I think the right honourable the junior member for Ottawa (Right Hon. Sir George E. Foster) is quite right in questioning whether this House can intelligently discuss this matter otherwise than by dealing with the avowed interpretation of the Conference by the Government.

Perhaps it is not yet too late to afford this House the opportunity of pronouncing upon a question of such gravity, with all the necessary time to do so. Perhaps the honourable leader of the House would have no objection to taking the Senate into his full confidence as to the ministerial interpretation of the report of the Conference. Such action would be welcomed by a great many members of this House, I am sure I know it would be very much appreciated by myself. The interpretation has been so different, judging by the expressions of various people, that we are now left in very great uncertainty about it.

Perhaps I can give the honourable leader some food for reflection in connection with this matter. Time and again we have been told, as I think it is admitted, that certain features of our Constitution, although they still remain in that document, are dead and buried, and that a British Government or Parliament would never attempt to resurrect them. The British government has stated that such features have been expunged from the Constitution through disuse, although they still remain in the written document. We now know, and nobody can deny, that although the letter of such provisions remains, it is a dead letter which never shall revive.

Now, if that is true, it arises simply from the fact that for a certain number of years the silence of the British Government as to

the disuse of such provisions has been interpreted as an acquiescence, in such disuse and as an agreement to the cancellation of these provisions. But, honourable gentlemen, that is only consent by silence. But what of a formal consent, given in the face of the whole Empire, to the recognized representatives of all the component parts of the Empire?

To-day we have this acknowledgment, that every Dominion is complete in its sovereignty. The super-sovereignty of Great Britain has been folded back upon the British Isles, and no more overlaps the boundaries of the Dominions. Is that true? If that is true, if the super-sovereignty of Great Britain over this land is gone, without doubt Canada is supreme. If that is the case, will the honourable leader of the Government tell me now whether Canada, being supreme, cannot amend its Constitution?

Now, if Canada through the Federal Parliament can amend its Constitution, or if there is reason to think that it can through the consent given at the conference by the British government and accepted by the Dominions and that acceptation would flow from the proceedings in our own House of Commons—are we in this Chamber, who are specially appointed to represent the Provinces, whose first duty is to see that the rights of the Provinces be respected—are we to sit silent? It is all very well to say: "There is no danger of Canada being considered as a perfectly independent sovereignty; look at all the ties that still exist in the very statute that created Confederation." The Constitution of Great Britan is an extraordinary instrument. Although totally unwritten it can, through custom or consent, supersede that which is written.

I say to my honourable friend that the position taken leads to very serious consequences. If what has been claimed for the Conference is true, then this country is totally, absolutely sovereign and can amend its Constitution. Then what does my honourable friend say about his own position as a representative of Quebec in this Senate? That is a serious question. I know how tempting is the picture of perfect nationhood painted rapidly before our eyes when we are asked: "Why are you such small Canadians that you cannot understand the beauty of belonging to a full-fledged, full-grown, full-blooded nation? Are you always to be tied to the apron-strings of your mother? Is it not time for you to walk alone? Lift your brow a bit and measure your stature. And so we almost blush for the people who have not the vision and the courage to assume full nationhood. But whatever the temptation may be, I have another question for my honourable friend, which is not perhaps addressed to his mind, and certainly not to his vision, but which is addressed to his conscience. He knows that the Province of Quebec, or 99 per cent of the people of that Province, do not want to place in the hands of this Parliament the right to amend the Constitution of the country. My honourable friend knows that. He knows that the Prime Minister of that Province, backed by the Legislature has declared in no uncertain terms his own feelings as a man and the sentiments and desires of the people whom he represents in that Legislature, and those feelings and sentiments are such as I have stated.

What course will my honourable friend's conscience, force him to choose? Between that vision that tempts him and the duty that sternly calls upon him to represent fully the desires of his people? I humbly beg leave to tell him that he has no choice; he must represent the wishes so clearly expressed by the people of the Provinces, for such was the intention when the constitution was written, and such it is clearly to-day.

The matter now presented to the House is perhaps the most grave and far-reaching ever submitted to it. Therefore why press this discussion to a conclusion, and especially why press this House to a decision before the Government has duly placed itself on record? In my opinion the Government owes that much to the dignity of this House. Have we not also the right to hear the voice of the Government on this score, Must we, stretch a year and listen to the echo that follows the long corridor uniting the two Houses?

I submit that the dignity of this House requires that in a matter of this importance we should have clearly stated the interpretation of the Government, and then that we should be allowed to express our opinions freely; and if I may make a suggestion, why should not the leader of the House speak now on this matter, reserving to himself the right to answer at the end of the debate, if he should require to do so?

Hon. Mr. BEIQUE: Honourable gentlemen, I rise not to speak on the question proper, but merely to refer to the suggestions made by the honourable gentleman who has just spoken, and also by the right honourable the junior member for Ottawa. I share the opinion that this question is of prime importance. I do not disagree with the Report of the Conference, but I think it would be unbecoming if this Chamber were to fail

to put itself on record, either as criticizing or appreciating such an important Report. Therefore I agree with the suggestion that we should take the time necessary to consider this question. If it is now too late in the session to do so, I would suggest that it be postponed to next session. If it is not postponed to next session, we should take all the time necessary to express our full views on the question now.

I was expecting that the honourable Leader of the Government would follow the honourable gentleman from Edmonton (Hon. Mr. Griesbach), although, in my judgment, he is quite within his rights in not doing so. As he has said, he has followed the ordinary practice; but I was under the impression that the ordinary practice would be departed from in this case, and that the honourable gentleman would speak. It would be open to the honourable gentleman to say that the Government had laid this Report on the Table of Parliament, and that the Report itself is an expression of opinion of the Government of Canada, as well as of the representatives of other Governments. As to that, however, I think the honourable Leader of the Government should be perfectly free. What I would like to get is a decision as to whether we have time to fully consider this question now, or whether it would be better to postpone it until next session.

Hon. W. B. ROSS: Honourable gentlemen, I have a suggestion to make. I do not know whether it will meet with the view of the honourable gentleman opposite (Hon. Mr. Dandurand). My suggestion is that he make a statement now, with the understanding that the question is to be postponed till next session. We certainly are not going to have time for the discussion that I am inclined to think will follow the statement of the honourable gentleman. If he makes a statement now, and the discussion is postponed to the early part of next session, when we generally have some spare time, everyone who wants to speak will have a chance to prepare.

Hon. Mr. LYNCH-STAUNTON: It seems to me that this matter is not before us in such a way that the Senate can go formally on record, and I do not see how a mere statement on the part of the honourable gentleman would improve the position. I think that when it is the desire of the House to go on record the matter should be put before us in such a way that we can do so and an amendment can be moved if anyone so desires.

Right Hon. Sir GEORGE E. FOSTER: May I be allowed to say another word? I must confess that I have not examined very carefully the rules and practice of the Senate in these matters. I found, almost at once, when I came to this House, that the practice was different from the practice in the other House. That is why I made my remarks. Practically speaking, I do not know what my rights are. Suppose, when my honourable friend lays the matter before this Chamber from the Government's standpoint, I should get up to speak, am I to be called down? If that were so, I should say from the very first that I do not intend to speak. It is very much like beating the air. The mild and shrewd, but somewhat guileful suggestion of my honourable friend that we should get our information through the medium of someone who spoke in another place is not, it seems to me, respectful to this Chamber. We will not take warmed-up tea or warmed-up porridge from another place; we want our food freshly cooked, and the honourable gentleman opposite is to do the cooking.

The Hon. the SPEAKER: For the benefit of honourable gentlemen who do not know the rules very well, I may read Rule 40, which says:

> When it is intended to make a statement or raise a discussion on asking a question, the Senator having such intention, as part of the notice under Rule 21, gives notice that he will call attention to the matter inquired into.

I think when that rule was drawn up it was the intention that the whole question should be dealt with in a single day. As a matter of custom we have adopted the practice of adjourning the debate from one day to another, but it has always been recognized that when the Leader of the Government has answered the question and made his statement, the debate is closed. If honourable gentlemen want to continue the discussion, why should not some other honourable gentleman present a motion?

Hon. Mr. DANDURAND: There seems to be a misapprehension as to the effect of the inquiry which is before the House. It simply calls for a statement from the Government, and an answer to the remarks that may fall from the lips of the honourable gentleman inquiring. There is no rule by which this chamber is bound to one or two or ten speeches, and the answer by the Government; it is simply a statement of policy which is asked. When that statement is made that ends the matter for the time being. A notice of motion may be given expressing an opinion or asking this Chamber to express an opinion upon that statement; then, naturally, the Senate is bound to give its opinion upon the motion.

Hon. Mr. BEAUBIEN: Whatever is past is gone, but I think it has been shown quite clearly that it is the desire of the House that this matter, which is one of great importance, should be brought before the House through the medium of the honourable the Leader of the House. We have waited week after week for this to be done, but inasmuch as it has not been done, and the matter has been brought up by a private member, surely we should not be deprived of the opportunity of knowing what the attitude of the Government is, and of discussing it. If the honourable Leader will speak, and then, whatever the rules of the House may be, will allow us to discuss the question, surely the honourable gentleman will not be denied the right to reply.

Hon. Mr. DANDURAND: I am ready, honourable gentlemen, to make a statement when we meet to-morrow afternoon.

The debate was adjourned.

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

THE SENATE

Thursday, April 7, 1927.

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

Prayers and routine proceedings.

PRIVATE BILL

THIRD READING

Bill V6, an Act to incorporate Commerce Mutual Fire Insurance Company.—Hon. Mr. Black.

MARITIME FREIGHT RATES BILL

FIRST READING

Bill 224, an Act respecting the Canadian National Railways and the tariffs of tolls to be charged on certain Eastern lines.—Hon. Mr. Dandurand.

HALIFAX HARBOUR COMMISSIONERS BILL

FIRST READING

Bill 225, an Act respecting the Halifax Harbour Commissioners.—Hon. Mr. Dandurand.

SAINT JOHN HARBOUR BILL

FIRST READING

Bill 226, an Act relating to the Harbour of Saint John in the Province of New Brunswick. —Hon. Mr. Dandurand.

DOMESTIC FUEL BILL, 1927

FIRST READING

Bill 233, an Act to encourage the Production of Domestic Fuel from coal mined in Canada. —Hon. Mr. Dandurand.

DEPARTMENT OF MARINE AND FISHERIES BILL

FIRST READING

Bill 258, an Act to amend the Act respecting the Department of Marine and Fisheries. —Hon. Mr. Dandurand.

EXCISE BILL

HOUSE OF COMMONS DISAGREEMENT WITH SENATE AMENDMENTS

The Hon. the SPEAKER informed the Senate that he had received the following message from the House of Commons:

Resolved,—That a Message be sent to the Senate to acquaint their Honours that this House disagrees to their amendments to Section 12 of Bill No. 119, An Act to amend the Excise Act, for the following reasons:

"The said amendments make the conviction of the bootlegger or the seizure of illicitly manufacture spirits very difficult and practically impossible."

Hon. Mr. DANDURAND: Honourable gentlemen will remember that we recently made two amendments to the Excise Bill. The House of Commons have returned that Bill, declaring that they are unable to accept the amendments. Yesterday we referred to the Committee on Banking and Commerce a number of amendments to the Customs Act which are similar to the amendments to the Excise Act, as proposed in this Bill; and I would therefore move:

That this message be referred to the Committee on Banking and Commerce for examination, jointly, with the amendments to the Customs Act.

We will then have the officials of the Customs and Excise Department before us.

The motion was agreed to.

ADJOURNMENT—BUSINESS OF THE SENATE

Hon. Mr. DANDURAND: Before I move the adjournment, I desire to inform the members of the Banking and Commerce Committee that that Committee will sit as soon as the House rises. We will have a fairly large Order Paper to-morrow, and probably we shall have to sit on Saturday. As we are moving towards the end of the Session, when, as everybody knows, some of the most important work of the Senate is done, I would urgently request honourable gentlemen to remain with us. I move the adjournment of the House.

Right Hon. Sir GEORGE E. FOSTER: Before the motion is carried, may I express the hope that my honourable friend has not committed himself, or will not commit himself, to a hectic attempt to get through the business of Parliament by Saturday. There is a full week ahead of us, comprising six working days, and I do not think any of us will die before his time because the Senate attends in a decently leisurely way to the important measures which are before it. The whole world will not be jeopardized, whether we get through Saturday night or some time next week. Anybody who looks over the Bills before us will see that they are very important, and that they ought not to be slurred over with the mere idea of getting through on Saturday.

Hon. Mr. DANDURAND: That is exactly the opinion I hold. As I stated yesterday, there can be no question of prorogation until this Chamber has had time to dispose of the public Bills that are before us, and I think the same idea prevails in the other Chamber. Therefore we will proceed to our work seriously, as if there were no prorogation date in our minds. Nevertheless, I believe that by exercising fair diligence we can finish our work by Wednesday or Thursday of next week, and, if we can do that, it will enable members to reach their homes for Easter, which will be a happy consummation of their labours.

The Senate adjourned until to-morrow at 11 a.m.

THE SENATE

Friday, April 8, 1927.

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

PRIVATE BILLS

THIRD READINGS

Bill I7, an Act respecting certain patents owned by Warren Brothers Company.—Hon. Mr. Haydon.

Bill Y7, an Act respecting the Sterling Trusts Corporation.—Hon. Mr. Buchanan.

TRADE MARK AND DESIGN BILL

AMENDMENTS CONCURRED IN

Hon. Mr. DANDURAND moved concurrence in the report of the Banking and Commerce Committee on Bill 171, an Act to amend the Trade Mark and Design Act.

Hon. Mr. DANDURAND.

He said: Honourable gentlemen, there appear to be quite a number of amendments, but really there are only three. One is simply a clerical amendment, substituting the words "union label" for the single word "label." While there are apparently ten or fifteen amendments, they all bear on that word. One of the other amendments makes it clear that a union may not grant the use of its label to one manufacturer or employer in preference to others; the conditions being equal, all employers wil be entitled to the same treatment.

Hon. Mr. ROBERTSON: All who qualify.

Hon. Mr. DANDURAND: That amendment, I believe, was useless, because that is the very principle which underlies the Bill; but it is there, and while it is harmless it makes the Bill clear. No union would give a preference or a monopoly of its label to one manufacturer or employer and refuse it to another under the same conditions. The third amendment has simply the effect of putting the trade unions on the same footing as all other people who apply for a trade mark, by paying the same fee. The Department had forgotten about its interest in this matter.

I think that all those who were in the Committee will testify that I have covered fairly and completely the amendments, and I will move their adoption.

The motion for concurrence was agreed to

THIRD READING POSTPONED

Hon. Mr. DANDURAND moved the third reading of the Bill.

Hon. W. B. ROSS: I do not think it is quite fair to people who are interested in this Bill to move the third reading now. There are people interested who were not present at the Committee, and they should have a chance to read these amendments. I would suggest to my honourable friend that the third reading be put down for to-morrow. I do not expect a long debate. All I am saying is that I think, in fairness, the people interested should have a chance to read this.

Hon. Mr. DANDURAND: Of course, I have drawn the atention of my honourable friend and of the Senate to the fact that there are practically no amendments. The word "union" qualifies the word "label." That does not touch the principle of the Bill in the least. Then, there is an amendment declaring that there shall be equality of treatment of

manufacturers. Surely this is but plain justice. The third amendment is to enable the Department to collect the fee.

If my honourable friend thought there was the least variation in the principle of the Bill, I would acquiesce; but if he thinks the Senate is seized of the Bill I would suggest giving it the third reading.

Hon. W. B. ROSS: In the case of the Bill just preceding this one there is only one side to the matter. All we have to do is to see that there is nothing wrong with the legislation. But this is a different kind of Bill. I do not know that anybody is going to object to it. I am not able to say what is the effect of the change in wording; all I can say is that someone might complain that the Bill had been rushed through.

Hon. Mr. DANDURAND: Will my honourable friend accept my suggestion that we put it down for third reading to-morrow?

Hon. W. B. ROSS: Yes, to-morrow will probably be all right. I think the public ought to have a chance to read it.

Ordered, that the Bill be set down for third reading to-morrow.

PRIVATE BILLS

FIRST AND SECOND READINGS

Bill 118, an Act respecting certain patents of James McCutcheon Coleman.—Hon. Mr. Haydon.

THIRD READING

Hon. Mr. HAYDON: With the leave of the Senate, I would move that this Bill be read the third time.

Hon. Mr. BEIQUE: It should be referred to a Committee.

Hon. Mr. HAYDON: This is a Bill respecting a patent, and it went through all the stages last year and was fully considered by the Committees of both Houses, and was awaiting the Royal Assent. Under the circumstances I ask that it now receive its third reading.

The motion was agreed to, and, certain rules having been suspended, the Bill was read the third time, and passed.

FIRST AND SECOND READINGS

Bill 148, an Act respecting a certain patent owned by Chester Earl Gray and Aage Jensen. —Hon. Mr. Haydon.

THIRD READING POSTPONED

Hon. Mr. HAYDON: I would ask that this Bill also be given its third reading.

Hon. Mr. DANIEL: May I ask if this is a new Bill, or if it has been considered by any Committee.

Hon. Mr. HAYDON: I think only in the House of Commons. This Bill is not in the same position as the previous Bill. This is a new Bill. Its meaning and intent, and the conditions on which it is based, are exactly the same as in the case of the other Bill. It has not, however, gone before any Committee of the Senate.

Hon. Mr. BEIQUE: It should be referred to a Committee.

Rule 119 having been suspended, the Bill was referred to the Committee on Miscellaneous Private Bills.

VANCOUVER HARBOUR COMMISSIONERS BILL

FIRST READING

Bill 215, an Act to provide for a loan to the Vancouver Harbour Commissioners.—Hon. Mr. Dandurand.

SPECIAL WAR REVENUE BILL

FIRST READING

Bill 230, an Act to amend the Special War Revenue Act, 1915.—Hon. Mr. Dandurand.

DOMINION ELECTIONS BILL

FIRST READING

Bill 260, an Act to amend the Dominion Elections Act.—Hon. Mr. Dandurand.

CHICOUTIMI HARBOUR COMMISSIONERS BILL

FIRST READING

Bill 272, an Act to provide for a loan to the Chicoutimi Harbour Commissioners.—Hon. Mr. Dandurand.

MARITIME FREIGHT RATES BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 224, an Act respecting the Canadian National Railways and the tariffs of tolls to be charged on certain Eastern lines.

He said: Honourable gentlemen, we have quite often heard members of this House from the Maritime Provinces raising their voices to protest against the freight rates under which the people in their region were suffering. They claim that up to a few years ago they enjoyed a preferential rate, but that the preference was removed, and the rate in-

creased, and that this situation should be recognized by Parliament. Honourable gentlemen know that a Royal Commission was appointed to investigate the various claims of the Maritime Provinces.

Hon. Mr. STANFIELD: May I make a suggestion to the honourable gentleman, in order to save time? The next two or three Bills have the same bearing. One explanation might do for them all, and perhaps the honourable gentleman will take them all together.

Hon. Mr. DANDURAND: The Royal Commission was presided over by a gentleman of high standing, who had already done good work for Canada in a similar position, in examining into the coal situation of Nova Scotia. Associated with him on the Commission were two Canadians from the Maritime Provinces; one a judge of a county court of Nova Scotia, and the other an eminent professor of McGill University. They made an exhaustive inquiry. After a survey and study of the whole ground the Commission submitted to the Government a report which bears the name of the Chairman—the Duncan Report. It made recommendations particularly with respect to the freight rates which should prevail in the Maritime Provinces; also recommendations for the creation of a Harbour Commission for the administration of the Port of Halifax, and another Harbour Commission for the administration of the Port of Saint John. The Commission recommended that the fisheries be specially superintended by a department which would give its exclusive time to that very important Canadian industry, in which the Maritime Provinces are so deeply concerned. It recommended, further, that encouragement be given to the production of domestic fuel from coal mined in Canada. I may say that the Government had already given attention to this matter, and the policy it had adopted prior to the Report of the Duncan Commission has the approbation of that Commission. So on reading that important Report and then examining the Government's policy it will be found, I think, that in the main those recommendations have been embodied in the legislation which is before us to-day.

The Bill which I have in my hand concerns the fixing of rates for that section of the National Railways which comprises the Intercolonial Railway. It allows a 20 per cent reduction on the general tariff. There rested upon the Government, at the same time, an obligation to examine into the effect which that reduction would have upon the other railways doing business in the same area. The Duncan Report had alluded to the necessity of doing something for those other railways and treating them in such a way as to prevent any complaint that they were being harshly discriminated against. So the experts of the Railway Department and the Canadian National Railways had to confer and give prolonged study to the problem which confronted them. I have seen enough of the deliberations of those experts to know that for weeks they devoted their most serious attention to the solution of the difficulties entailed by a flat reduction of 20 per cent as a new feature of the whole freight rate structure in Canada. The resolution upon which this present Bill was based, and the Bill itself, will, I am sure, indicate that serious thought was given to the matter, and I think that the proposed legislation will meet with the approval of this Chamber.

I am glad that we in this Parliament can approach those problems concerning one large section of the country in a spirit of friendliness. The Duncan Report contains the suggestion that the Maritimes be allowed an increased subsidy. Independently of the reasons which have been advanced for the increase, it should be remembered that when, in 1907, the whole basis of the Federal subsidies, which up to that time rested upon the Census of 1861, was transformed into a moveable basis, that of the decennial census, the Provinces whose population had increased and was constantly increasing derived a benefit from that alteration, whereas the Maritime Provinces, showing no increase, but in some instances a decrease, obtained no advantage. Yet their administrative charges went on increasing under many heads, because of modern requirements, which were felt by them as well as by other Provinces, and because of the fact that wages, if I may say so, had to be increased on account of the lowering value of the dollar. For that reason I was quite in favour of giving them a certain compensation in that respect by allowing them an increased subsidy. The policy of the Government is not to fix an increase in the subsidy at present. The Maritime Provinces are allowed a certain provisional amount, which is mentioned in the Duncan Report, in order that they may be afforded relief at this time, but it is understood that the Interprovincial Conference, which will meet this summer or next autumn, will have to deal with the whole matter and try to find a general basis which will be satisfactory to all concerned. We all know that the compact of 1867 fixed a basis of financial compensation to the Provinces in

return for the abandonment of their excise and customs duties. That contract is binding on all the Provinces together. It is one of those features of the compact which need to be examined in common by all the Provinces. Pending an arrangement, honourable gentlemen will find that in the Supply Bill we have provided for an advance to those three Maritime Provinces in conformity with the Duncan Report.

With these few explanations, which would perhaps need to be stressed if all honourable members of this Chamber were not absolutely au fait of the Duncan Report and the legislation which is based upon it, I will move the second reading of this Bill.

Hon. W. B. ROSS: Honourable gentlemen, I am disposed to agree to the second reading of this Bill without any expression of opinion, either for it or against it. It seems to have friends everywhere, within the Houses of Parliament and outside. There are only one or two discordant voices that I have heard of. All I can say is that I hope for the best; I hope that this Bill and the accompanying Bills may be successful in accomplishing the work that the men who are behind all this legislation have set out to do. I do not see any advantage in my discussing the Bill either one way or the other. I have my own opinion, and all I can say is that I am prepared to let the Bill pass without comment. I give it my blessing and hope that it will be successful.

Hon. F. B. BLACK: Honourable gentlemen, I do want to have an opportunity of making a few remarks on these Bills. My remarks will be general and will be in the line of commendation. I desire to make them largely for one reason. The honourable leader of the House has said that everybody is au fait of the Duncan Report. I trust that is true, but apparently few people outside the Maritime Provinces are thoroughly seized of the absolute justice of the Duncan Report, and it is because I desire an opportunity to put the Maritime case before the people who live outside the Maritimes that I would like to have, at another time, an opportunity to speak on this Bill. I do not think that we are getting even as much as we deserve, although we are glad to get what we are receiving. We want the people of the rest of Canada to know that we are not getting more than our just due, and I hope that this debate may be adjourned until Monday, that I may be able to give, in a very brief form, to those who come from the other parts of Canada, some information which may be help towards that spirit of general amity and goodwill which is necessary to the success of the whole Dominion. I would like to move, if I may, that the debate be adjourned until Monday.

Hon. Mr. DANDURAND: Before my honourable friend makes that motion I would like to offer a suggestion to this Chamber. I sincerely believe that no member of the House will express any dissent from the motion for the second reading. If there is anyone who will do so, then I will not press my suggestion. It is that in order to show the unanimity with which we accept the propositions that are before us, we should pass the second reading of these Bills now; that then we should not refer them to Committee, as these are money Bills, but should set for the third reading a time suitable to my honourable friend, when he could make his remarks.

Hon. Mr. BLACK: That is quite satisfactory.

Hon. N. A. BELCOURT: Honourable gentlemen, I am not raising a discordant voice. I agree with the Bill, and intend to support it, but ever since I have been in public life I have had a strong, and, I think, well reasoned inclination in favour of our allowing the British North America Act to remain intact. It seems to be accepted by many Canadians that the Act needs amendment. I cannot conceive that it does in any way need to be changed, or that there is any reason to change it. Therefore, whilst I intend supporting this Bill, I do not do so with the enthusiasm which is evident, and which, from the words of the honourable leader of the Government, might be assumed to be universal. I am a little afraid that the Bill, while it has been submitted to the House with a view to meeting a special condition which has arisen in the Maritime Provinces, will open the door to similar requests or demands from other parts of Canada. We know that in a certain portion of Canada especially the people are not in the least timid about coming down to Ottawa to make demands of all sorts. I apprehend that the example which we are now giving to the rest of Canada is one which will be readily taken advantage of in the future.

As I have said, I am not opposed to the Bill. I believe that conditions and circumstances have been shown to us which warrant a departure, to some extent, in the provisions contained in the contract, properly so-called by our friend, of 1867. I doubt if I would

have risen at all but for the expressions that have fallen from my leader, who seems to think that the rest of us are tremendously pleased and enthusiastic about this break in the provisions and disposition of the British North America Act.

Hon. Mr. DANDURAND: I did not pretend to express the degree of enthusiasm of my honourable friend: I only mentioned the spirit of amity and friendliness that we all felt for all parts of the Dominion.

Hon. Mr. BELCOURT: But my honourable friend admits that if his statement had gone on record without challenge from anybody, it would have been my statement as well as his. That is the reason I have risen—not to object, but to warn the people of Canada against a danger which may some day arise from what we are now doing.

I repeat that, for my part, I do not want the B. N. A. Act changed; I do not want any power to amend that Act; I am one of those who think that the Fathers of Confederation built probably better than they thought. To me there seems to be no occasion why we should stretch the B. N. A. Act in any respect. Those who listen to me may think that in expressing these views I am moved to a considerable extent because the rights of minorities are affected. I have given a good deal of attention in my life to that question, but entirely outside of minority rights, on general principles, I do not think that the B. N. A. Act could be in any respect improved if it had to be made over again to-day. I rose simply to say that I cannot bring to this matter the enthusiasm which seems to be so general.

Hon. Mr. McLENNAN: Although we are taking these Bills together, I wish to refer to some provisions in Bill 233, respecting the production of domestic fuel by the establishment of coking plants.

The contract provided for requires the use of 70 per cent of coal mined in Canada. That is perfectly satisfactory, but in section 4 there is a provision that if that proportion should fall below 70 per cent which one can conceive would be quite possible through strikes, for example, or other interruptions there is to be a reduction in the amount to be paid. If I have figured correctly, that reduction is sufficient under certain circumstances to permit the use of foreign coal without penalty.

There is also a clause stating that agreements may be cancelled, in case of contracts being entered into, and another that the Governor in Council may make regulations deemed necessary to carry out the purposes of the Act.

I would draw the attention of the leader of the Government to the fact that it should be made quite clear that those safeguarding clauses will be observed when the time comes for a contract, which I hope will be very soon, and that there will be no loophole through which the intention of the Government to utilize Canadian coal, so handsomely implemented in this legislation, can be neutralized.

Hon. Mr. DANDURAND: My honourable friend is undoubtedly expressing the sentiments of all the members of the present Government. I may get greater details as to the administration of that part of the Bill, which I will bring to my honourable friend's attention when we take the third reading.

Hon. Mr. TANNER: Honourable gentlemen, I rise merely to make a suggestion. I take the same view as the honourable leader of the Government, that these Bills will receive unanimous support in this House, and for my part I would like to see them expedited somewhat. I understand there are four Bills, and I suggest that we take the several stages of three of them, that is, the second and third readings, and also take the second reading of a fourth Bill, but let that one stand over for third reading until Monday, with the understanding that any member who wishes to speak will be at liberty to refer to them all to-morrow.

Hon. Mr. DANDURAND: What is the Bill which my honourable friend would retain for discussion?

Hon. Mr. BLACK: Bill 224—the Railway Bill.

Hon. Mr. DANDURAND: If it is the wish of the House to retain one Bill for third reading, I am ready to suggest that we pass the third reading of the other three.

Hon. J. G. TURRIFF: Before the second readings are given, I wish to say a word, and ask a question. I am not opposed to the Railway Bill, and do not criticize it, but I would point out that the reduction of 20 per cent on freight rates for the lower Provinces is being rushed through.

Hon. Mr. DANDURAND: Oh, no.

Hon. Mr. TURRIFF: What I want to point out is that two years ago, in June coming, the House of Commons and the Senate passed a Bill, which received the assent of the Governor General, providing for a reduction of freight rates in the West, but that reduction has

never been carried out. The Board of Railway Commissioners notified the different railways interested, the Canadian Pacific and the Canadian National, that certain rates were to be applied forthwith. Those rates affect all the farmers in the western Provinces, but the railway companies have simply ignored the instructions which were given practically by the Government through the Railway Commissioners, and they have not applied those rates. The result is that the farmers, particularly in the two prairie Provinces, have been paying what is estimated at about $2,500,000 a year out of the last two crops, and the Government has taken no action to have those rates enforced. But we find that the Government is giving special rates to the eastern end of the country, and while I am not objecting, I would like to know why the Government has not taken action to implement their own legislation, and force the railways to give the rates that were provided.

Hon. Mr. DANDURAND: I may inform my honourable friend that the Railway Board divided on the question of enforcing the regulation, and that the western Provinces—British Columbia, Saskatchewan, and perhaps Alberta—appealed to the Council for an order which would enforce that decision. The Council heard the appeal of the Provinces, and inasmuch as the matter was then under review by the Board of Railway Commissioners, decided not to interfere. The Railway Commissioners now have the matter in hand. I wiill look at the decision of the Council, but I think it expresses the strong desire that the Commissioners should give as rapid a decision as possible.

Hon. Mr. TURRIFF: I think my honourable friend, the leader of the House, is not quite right. Legislation was passed by Parliament and assented to before the question of general freight rates was submitted to the Railway Commission; so that there is absolutely no justification for delay in the action to be taken by the railways, when they were instructed by the Railway Commissioners. There was no division in the Railway Board about instructing the railways, and it is up to them. If there was that division in the Board of Railway Commissioners, the matter would come naturally to the Governor in Council for decision, and the decision has not been made.

Hon. Mr. DANDURAND: Oh, yes, it has been made. It was made upon the appeal from those three western Provinces.

Hon. Mr. TURRIFF: That was on a question that was submitted by the Board of Railway Commissioners after the legislation providing for the reduction of freight rates—the Crowsnest freight rates—had been put through Parliament; but there has been no effort made to implement that decision of Parliament, and to make the railways conform to it. There has been no action; but now we see by this Bill that a decision is made, and that it is going to be put in force. I am not raising any objection to that, or criticizing it, but I do not see why there should be such unfair treatment of the West, and a very speedy adjustment of the matter as affecting the East.

Hon. Mr. DANDURAND: I will bring to my honourable friend the last Order in Council on this appeal.

Hon. Mr. ROBERTSON: The last remark of my honourable friend from Assiniboia (Hon. Mr. Turriff) prompts me to remind him and the House that the people of the Western Provinces do not appear to have been overlooked in this regard, because it is now five years since they received at the hands of the Government and Parliament rate reductions that amounted to a loss to the railways of at least $20,000,000 a year ever since that time. The Maritime Provinces are only now getting some consideration, six years after the Western Provinces got the biggest reduction in freight rates this country has ever seen.

Hon. Mr. TURRIFF: Well, what did the Parliament pass legislation for?

Hon. Mr. McCORMICK: Any remarks I might have to make on this Bill I might defer until Monday; but I want to refer to what my honourable friend opposite (Hon. Mr. Belcourt) has said. We are glad that the Government has implemented the recommendations of the Maritime Rights Commission, but I want to remove from the mind of everyone the idea that this is a gift something over and above what we are entitled to have. The rates embodied in this Bill only restore a right that was guaranteed to us at the time of Confederation.

Hon. Mr. DANDURAND: I would draw the attention of my honourable friend to the fact that no one has used that expression in this Chamber.

Hon. Mr. McCORMICK: The expression was used by my honourable friend opposite: he offered some criticism of this legislation.

Hon. Mr. BELCOURT: I did nothing of the sort.

Hon. Mr. McCORMICK: The honourable gentleman said he wanted adherence to the Confederation pact.

Hon. Mr. BELCOURT: Nothing of the kind. I said I was going to support the Bill.

Hon. Mr. McCORMICK: I thought the honourable gentleman said that this was a departure, and that he wanted adherence to the principle of the British North America Act. Well, as I understand it, this is just the restoration of a right that was guaranteed to us at Confederation by the Treaty that was agreed on by men who went to England representing these Provinces and our Provinces, as the basis on which Confederation was to be effected.

I may say to the honourable leader that I am pleased, and the people in the Maritime Provinces are pleased, with the legislation which has been brought in. I only hope that the expectations of the Government will be realized; but when this matter is up on Monday I will have something to say in regard to it.

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

THIRD READING POSTPONED

Hon. Mr. DANDURAND: Honourable gentlemen, I move that we dispense with the Committee stage and that we set down this Bill for third reading on Monday next.

The motion was agreed to.

HALIFAX HARBOUR COMMISSIONERS BILL

SECOND READING

Bill 225, an Act respecting the Halifax Harbour Commissioners.—Hon. Mr. Dandurand.

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

SAINT JOHN HARBOUR BILL

SECOND AND THIRD READINGS

Bill 226, an Act relating to the Harbour of Saint John in the Province of New Brunswick. —Hon. Mr. Dandurand.

DOMESTIC FUEL BILL

SECOND AND THIRD READINGS

Bill 233, an Act to encourage the Production of Domestic Fuel from coal mined in Canada. —Hon. Mr. Dandurand.

DEPARTMENT OF MARINE AND FISHERIES BILL

SECOND READING

Bill 528, an Act respecting the Department of Marine and Fisheries.—Hon. Mr. Dandurand.

MACE BEARER AND ASSISTANT TO BLACK ROD

NINTH REPORT OF STANDING COMMITTEE ON INTERNAL ECONOMY AND CONTINGENT ACCOUNTS

Hon. Mr. DANIEL moved concurrence in the ninth Report of the Standing Committee on Internal Economy and Contingent Accounts.

Hon. Mr. DANDURAND: What does that cover?

Hon. Mr. DANIEL: The ninth Report reads as follows:

> The Standing Committee on Internal Economy and Contingent Accounts beg leave to make their ninth Report, as follows:—
>
> Your Committee recommend that the plan of organization of The Senate be amended by striking out Position Reference No. 23, and substituting therefor the following:—
>
> "23. Mace Bearer and Assistant to Black Rod".
>
> All which is respectfully submitted.

I may say briefly that this Report of the Committee was made on the application of the Gentleman Usher of the Black Rod, who wished to have the present Mace Bearer receive some recognition for the additional duties which he performs in assisting the Gentleman Usher of the Black Rod at the assembling and at the Prorogation of Parliament, and functions of that kind. The Committee thought that the application should be favourably considered, and from information received from those present, including the Clerk of the Senate, it was believed that the best and easiest way to accomplish what was desired was to approve of the suggestion offered. Then the matter could be referred to the Civil Service Commission, because otherwise we have no power to do anything.

The report was concurred in.

SESSIONAL EMPLOYEES OF THE SENATE

TENTH REPORT OF THE STANDING COMMITTEE ON INTERNAL ECONOMY AND CONTINGENT ACCOUNTS

Hon. Mr. DANIEL moved concurrence in the tenth Report of the Standing Committee on Internal Economy and Contingent Acounts.

Hon. Mr. CASGRAIN: Explain.

Hon. Mr. DANIEL: The Report reads as follows:

The Standing Committee on Internal Economy and Contingent Accounts beg leave to make their tenth Report, as follows:—

Your Committee recommend that the sessional employees of The Senate who during the whole or part of the first adjournment were paid at one-half their regular rate of pay, be paid at the full rate for such period.

All which is respectfully submitted.

I may say that the Sessional employees made application for full pay for the period of the adjournment which took place early in the Session, and during which they received only half pay. These employees have always received full pay, so far as I know, during such adjournments. The facts of the case are that when Parliament adjourned on the 15th of December last, I think, those employees received full pay to the end of the month, but from the 1st of January until the Senate met again, a period of 45 days, they received only half pay. While it is true that they are only Sessional employees, you can hardly expect stenographers and messengers, and people occupying positions of that kind, to obtain employment elsewhere for a period of a month or six weeks. The Committee thought the application was a reasonable one, and so have made this recommendation to the Senate.

Hon. Mr. DANDURAND: My difficulty is not the amount involved. I may say that the Clerk of the Senate is not with my honourable friend in his statement that during adjournments these employees of the Senate have, by tradition, been given full pay. However, that does not matter.

What concerns me is this. Whatever we do will have some effect upon the staff of the other Chamber, which is three or four times as large as our own. We met last December with the understanding that we would vote Supply and then go away, and we sat for five or six days. The day after the adjournment, that is on the 15th of December, the Commons sent their staff away on half pay until the return of the members in February. We did better than that by our Sessional employees. Instead of receiving half pay from the 15th of December, they received full pay to the 1st of January. From that date, until Parliament reassembled—with the exception of the amanuenses on the Hansard staff, who were put on full pay when they were needed for the work of the Divorce Committee, which sat during the month of January—the Sessional employees received half pay.

My fear is that we may create considerable dissatisfaction among a large body of employees of the same class in the House of Commons, who were not treated as liberally as were our employees. Now, is it not right for the Senate to try to harmonize its action with that of the House of Commons, so that there may be no recrimination? As soon as we do something that seems to be more liberal than what has been done on the other side of Parliament, I commence to receive complaints, from the Committee on Internal Economy of the House of Commons, that we are disturbing the spirit of their organization. That is my difficulty. Of course, I do not know whether any money has been provided in the present Supply Bill of the Supplementary Estimates to cover this expenditure. Perhaps someone can tell me what expenditure would be involved.

Hon. Mr. DANIEL: About $4,000.

Hon. Mr. DANDURAND: Of course, in the House of Commons, three or four times that amount would be necessary. I would like to hear from the honourable gentleman whether that feature of the situation has been examined by the Committee.

Hon. Mr. ROBERTSON: May I query the statement of the Chairman of the Committee that the cost would be $4,000? It would be the difference between half pay and full pay for perhaps five weeks, and with the small staff of the Senate it surely could not amount to $4,000.

Hon. Mr. DANIEL: This includes not only the stenographers, but the messengers. There are 12 messengers, and 6 or 7 stenographers, and 3 amanuenses. That is 22 in all. I have not made the calculation myself, but I am informed by the Clerk of the Senate, who I presume has done so, that it would amount to about $4,000.

Hon. Mr. STANFIELD: Does that include the page boys?

Hon. Mr. DANIEL: I had completely forgotten them. I heard nothing from the page boys. Perhaps they are included in the $4,000. The page boys made no application. They are the only ones I know of who have not.

Hon. Mr. DANDURAND: Has the Committee examined into the attitude of the Commons on this matter?

Hon. Mr. DANIEL: I can quite readily grasp the significance of the statement made by the Leader of the Government here. I have no doubt that if our action is favourable it will have the effect of creating dissatisfaction on the other side of this building, unless the same procedure is followed there. Whether that should debar us from taking the action proposed, if we think it is right, is a matter for us to consider. To counterbalance that, we might recall the fact that some of the positions in the Senate are not as highly paid as similar positions in the House of Commons.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, it seems to me that the Leader of the Government has raised a point which makes careful consideration necessary. If it were in order, I should like to propose three cheers for the page boys for their moderate stand, or lack of a stand. It strikes me that unless there is some unanimity of action in both Branches of Parliament, it would be unwise for us to do anything that would make so wide a difference between the employees of two branches that are under the same roof. I think, therefore, that the matter requires further consideration before we vote upon it.

It is rather startling to know that we have a staff of more than 22 to attend to the wants of the moderate number of senators in attendance on the average, during the Session. I think it would be advisable for us to set an example of moderation in our expenses. I think also it would be the right thing in employing amanuenses and messengers to have it understood when they are employed that they are to receive half pay during the long vacations, which I think is generous enough. Then there will be no feeling that they have been engaged under a certain scale of remuneration, and have been deprived of it because the Senate did not sit. It is really a pretty difficult thing for us to pass this through, in face of the objection that has been raised and the conditions that it would excite in the other branch of our Parliament.

Hon. Mr. DANDURAND: I may say this for the staff, and for our finances, that, after allowing for the pact that our staff is much smaller, I have always been agreeably surprised at the expenditure of the Senate as compared with that of the Commons. I have had occasion to congratulate the Committee on Internal Economy upon its very prudent actions in the past. As a matter of fact, when estimates from various Departments have come before Council and the Prime Minister has pressed for reductions, I have observed that the Senate, without urging, has responded with figures which were creditable to this House.

I would suggest to my honourable friend (Hon. Mr. Daniel) that he suspend until Tuesday the motion for the adoption of this report, in order that we may see what effect it might have on the general relations between the two branches.

Hon. G. D. ROBERTSON: Just before that is done, honourable gentlemen, I desire not to delay the House, but simply to express the hope that, in thinking over this matter from now until Tuesday, honourable gentlemen will keep in mind a few facts that are worth remembering. When a staff are employed for the specific purpose of giving service during the Session of Parliament, they must necessarily provide themselves with quarters and be available for service every day of the next six months, if that is the anticipated length of the Session. We have had Sessions extending beyond that period. It seems to me it is wholly preposterous to expect that employees will come into the public service for the sake of a few days' work, and then, after an adjournment of a few weeks, come back again to work a few days more. We cannot expect people to accept employment under those conditions. We require reasonable service here, and we get it.

Hon. Mr. CASGRAIN: We have many applications.

Hon. Mr. ROBERTSON: We get reasonable service, and I do not think we should be at all penurious in this matter. If you compare other legislatures, especially that of the United States, with this Parliament, you will find that their expenditure, per capita, for the convenience of members, is probably four times what the expenditure is here. This House certainly cannot be said to have been extravagant in the administration of its internal affairs. Because it was convenient or advisable from the Government's standpoint to call Parliament before Christmas, let us not decide that these Sessional employees, who get only a few months' work at the best, shall be the sufferers. Let the State bear whatever expense may be involved by reason of Parliament having been called in December instead of January.

Hon. Mr. DANIEL: I quite agree with the remarks of the honourable gentleman who has

just sat down. The argument that appealed to me during the discussion and consideration of this matter is the fact that these persons, male and female, who are, I presume, not very largely endowed with wealth, but have to make their living by their daily wage, have a right to expect, when they accept a position in the Senate, that it will be continuous and they will be paid for the whole time. Otherwise, it appears to me, we shall be obliged, in the matter of stenographers, to take the very worst that are appearing on the market, instead of getting good and efficient stenographers, such as I think we have now. That appears to me to be the chief argument; for there is no doubt that if these young women are deprived of a large amount of what they expect to be their remuneration they will seek employment somewhere else and we shall not be able to obtain their services, but must accept the inferior kind that would be offering under such circumstances.

Hon. Mr. TANNER: Honourable gentlemen, I have just a remark or two. I quite appreciate the ground that was taken by the honourable leader of the House, but my answer would be that it is quite open to the House of Commons to come up level with the Senate in this regard. They have ample time. If we think we are right we should go along and leave them to catch up with us. It is always interesting to me to observe how strongly the idea of economy strikes us when we get down to some of these small items, but when we have millions to spend, or hundreds of millions, why, we are perfectly free-handed. Before Parliament closes, in a day or two, I think we shall be asked to vote half a million dollars to provide a house for the High Commissioner at Washington, and I suppose we shall all hold up our hands joyously in favour of spending $500,000 for that purpose. But here—here we are shrinking because the poor fellows who work for a few weeks around this building are asking for full pay.

Hon. Mr. DANDURAND: I would point out to my honourable friend that I said the amount was not what concerned me.

Hon. Mr. TANNER: I know.

Hon. Mr. DANDURAND: It was the unhinging of the situation.

Hon. Mr. TANNER: But I think that if we were acquainted with the innermost recesses of the performances on the other side of this building we would find that they are not so very economical, and that, as my honourable friend (Hon. Mr. Dandurand) has said, this Chamber really sets a fine example in that respect. I do not think we shall destroy that example, or affect it in the least, by giving the employees of the Senate full pay. I believe that the Committee has fully considered this matter in all its bearings, and I am prepared to vote for the report.

Hon. Mr. ROBERTSON: Question.

Right Hon. Sir GEORGE E. FOSTER: There is one thing I will say. The service, so far as my experience goes, has been excellent. There is evidently something in the point that my honourable friend (Hon. Mr. Daniel) has made, that if we require good service—and any that we have ought to be of the best sort—it may be difficult to obtain it under conditions in which employment is temporarily taken away.

Hon. Mr. DANDURAND: I do not want to go counter to the view of the Senate in this matter. The figure is of small consequence, but I thought that if we postponed the matter until Monday or Tuesday I would have an opportunity to see the authorities of the Commons and try to adjust matters.

Hon. W. B. ROSS: I think that is fair. I do not think there is any reason why we should jam this thing through to-day.

Hon. Mr. CASGRAIN: Tuesday.

Hon. Mr. ROSS: Yes.

Hon. Mr. DANIEL: I think that suggestion was quite reasonable, under the circumstances.

On motion of Hon. Mr. Dandurand, consideration of the report was postponed until Tuesday next.

The Hon. the SPEAKER: May I point out to honourable gentlemen that they might examine into what was done in the year 1918, when a similar adjournment occurred.

DIVORCE BILLS

FIRST, SECOND AND THIRD READINGS

Bill Z7, an Act for the relief of Gordon Hiram Langford.—Hon. Mr. Willoughby.

Bill A8, an Act for the relief of Amanda Leona Chowns.—Hon. Mr. Willoughby.

Bill B8, an Act for the relief of Edwin George Winfield.—Hon. Mr. Willoughby.

Bill C8, an Act for the relief of Beulah Faye Wood.—Hon. Mr. Willoughby.

Bill D8, an Act for the relief of Jane Rennie.—Hon. Mr. Willoughby.

Bill E8, an Act for the relief of Dora Louisa Eliza Maxwell.—Hon. Mr. Willoughby.

Bill F8, an Act for the relief of Lillian Moir.—Hon. Mr. Willoughby.

Bill G8, an Act for the relief of Gertrude Isabel Middlebrook.—Hon. Mr. Willoughby.

Bill H8, an Act for the relief of George James White.—Hon. Mr. Willoughby.

Bill I8, an Act for the relief of Maud Cummings.—Hon. Mr. Willoughby.

Bill J8, an Act for the relief of Wilhamina Susanna Annis.—Hon. Mr. Willoughby.

Bill K8, an Act for the relief of Dorothy Mildred Jeffrey.—Hon. Mr. Willoughby.

Bill L8, an Act for the relief of Sadie Feder Gelfand.—Hon. Mr. Willoughby.

Bill M8, an Act for the relief of Orma Maunder.—Hon. Mr. Willoughby.

Bill N8, an Act for the relief of Isabella Jane Boyse Brew.—Hon. Mr. Willoughby.

At 1 o'clock the Senate took recess.

INSURANCE BILL

FIRST READING

Bill 50, an Act to amend the Insurance Act, 1917.—Hon. Mr. Dandurand.

CRIMINAL CODE BILL

FIRST READING

Bill 239, an Act to amend the Criminal Code.—Hon. Mr. Dandurand.

POST OFFICE BILL

FIRST READING

Bill 259, an Act to amend the Post Office Act.—Hon. Mr. Dandurand.

SECOND READING

Hon. Mr. DANDURAND moved the second reading of the Bill.

He said: Honourable gentlemen, this is a money Bill. It reduces the postal rates on certain newspapers and periodicals from one cent and a half to one cent. If there is no objection I will move the second reading of the Bill.

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

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

FEDERAL DISTRICT COMMISSION BILL

FIRST READING

Bill 280, an Act respecting the Federal District Commission.—Hon. Mr. Dandurand.

SECOND READING

Hon. Mr. DANDURAND moved the second reading of the Bill.

He said: Honourable gentlemen, this is a fairly compact Bill, creating a Federal District Commission in lieu of the Commission which has been in existence for a certain number of years. We could perhaps now give it the second reading, and put it down for the Committee of the Whole to-morrow. I do not know that it is essentially a money Bill. At all events, we will have time to see it.

Hon. Mr. ROBERTSON: Honourable gentlemen, this Bill is of particular importance, I presume, to the city of Ottawa and the members from Ottawa, all of whom are not present. I have no particular objection to the Bill going to a second reading, but I think it ought not to proceed further to-day.

Hon. Mr. DANDURAND: Of course, if no honourable gentleman desires to speak now on the creation of this Federal District Commission, we can take the second reading, and honourable gentlemen can speak when the Bill is in Committee, or on the third reading.

Hon. Mr. BEAUBIEN: Can my honourable friend give us an outline, of the Bill, so that we will know something of it?

Hon. Mr. BELCOURT: Honourable gentlemen, may I say a few words. The Ottawa Improvement Commission was created with power to apply the funds voted by Parliament each year for the beautification of the Capital. The area to be administered was confined to Ottawa and the immediate vicinity. Since then the Government has suggested to the Improvement Commission having charge of that measure, and having the expenditure of the money, that some of the funds be expended outside of the immediate limits of the city of Ottawa. I cannot remember the figures, but something was done in Hull, and in some portion of the district around Ottawa.

I had the honour of representing the city of Ottawa in the Commons, when that Improvement Commission was created, and the idea was suggested then, and has been often discussed since, that the scheme should be very much enlarged, so as to include part of the Province of Quebec, for the purpose of forming what is called a Federal District, somewhat on the same lines as the District of Columbia in which is situated the Capital of the United States. That idea has grown and grown, until now the Government is evidently

prepared to carry it out; and this is the first step towards the creation of a Federal District.

All that this Bill does is to increase the amount of the original grant, $150,000 yearly. By this Bill the Ottawa Improvement Commission is still going to administer, but instead of $150,000 they will have $250,000 to expend yearly, with power to capitalize these annual payments for the next ten years, and thus get the money at once for the purpose of carrying out such general schemes as may be decided upon.

Hon. Mr. MURPHY: Sixteen years.

Hon. Mr. BELCOURT: Sixteen years. I think the Ottawa Improvement Commission has added one or two members recently. The Federal District itself is not being created by this Act, though I imagine that this Bill represents the acceptance of the idea, and that before long we shall have a Bill to govern the Federal District.

Hon. Mr. McLENNAN: Honourable gentlemen, I would like to ask for some information as to the fate of the report of a Commission which was appointed some years ago on the beautification of Ottawa. Their report looked towards the grouping of our Government buildings along the cliff, and suggested various other changes which should be made. According to the report, which I saw not very long ago, the recommendation of that Commission, if adopted, would have made Ottawa one of the most beautiful capital cities, for its size to be found anywhere.

Since that report was made a good many Government buildings have gone up, scattered through the city, and some of them do not add to its beauty. It seems to me that it is very important that these matters should be reconsidered, and that that Commission's plan, which I think commended itself to everybody, should be carried out gradually, as money is available. As far as possible, also, the characteristics of the town as they have existed should be preserved; for example, along Sussex Street local limestone has been used in several very typical and beautiful private houses and other buildings. I know that the late Mr. Frank Darling, who was on that Commission, and also Sir Wilfrid Laurier, had the idea that it would be desirable to make the whole of Sussex Street of that character, which would have made it very picturesque and delightful to all of us and to visitors who would see and appreciate it. As to buildings that are now being or are about to be put up, it would be well that a general scheme of permanent convenience and beauty should be carefully observed.

Hon. Mr. BELCOURT: I thoroughly agree with my honourable friend. I have given the matter very careful consideration all along. I think it is a wrong policy for the Government to pursue, to put up buildings in certain sections when they really should go somewhere else. I think it was a mistake to spend so much money on the Hunter building. That building, or a building to answer the purposes of that building, should have been built along the cliff, where the Government has expropriated property. I do hope that when the Government starts constructing buildings for administration they will build them in the valuable territory which they have acquired for that very purpose—

Hon. Mr. DANDURAND: In agreement with the Commission.

Hon Mr. BELCOURT: —and not buy pieces of land here and there, to put up buildings for which there is no reason. They ought to be built where the Government has already acquired property, and where they would help to beautify the city more than if they were situated anywhere else.

Hon. Mr. GRIESBACH: My honourable friend is a bit sketchy as to the distance out from Ottawa that this area is going to extend.

Hon. Mr. BELCOURT: As I understand it, the area is not changed at all. It is the city of Ottawa. I have spoken of the area in connection with the scheme. That would take in the country around about Ottawa within a certain radius—whether ten or twelve or fifteen miles, I cannot say. Nobody has laid down a definite plan. The plans we have had so far are for the beautifying of the capital.

Hon. Mr. GRIESBACH: Does not my honourable friend think it would be better to propound a federal scheme and make a federal district similar to that at Washington before embarking on a large expenditure?

Hon. Mr. BELCOURT: I have thought so and have urged it for twenty-five years.

Hon. Mr. GRIESBACH: To put it another way: are we well advised to vote any money at all for a large scheme like this until we have first of all secured our investment by the creation of a federal district wherein we know the scheme will be carried out?

Hon. Mr. BELCOURT: I do not think there can be any doubt that the moneys that are going to be expended under the provisions of this Act will be expended with a view to the federal scheme. All that will be done will fit into that scheme.

Hon. Mr. DANDURAND: Of course, honourable gentlemen, I know nothing of the enlarged scheme of which my honourable friend speaks, but I am under the impression that there has been nothing so far which would give even a faint outline of what that scheme will be; nor has it been submitted to Council to deliberate upon.

I will content myself with moving the second reading of this Bill, and sending it to Committee at the next sitting.

Hon. Mr. BEAUBIEN: If the purpose of the Bill is only to increase the annual appropriation to $250,000, why is the Bill so bulky?

Hon. Mr. DANDURAND: It provides for the creation of a new body, which will take the place of the old one. I am not ready to say to what extent it alters the powers of that body. I will get that information for the Committee stage.

Hon. Mr. TURRIFF: Honourable gentlemen, before undertaking an expenditure of $4,000,000 to beautify the city of Ottawa, I think the Government ought to make arrangements with the civic authorities to see that a supply of decent water is provided. At the present time the water supply is very unsatisfactory. To many people it is so irritating that it is no use for taking a bath.

Another thing that I should like to call attention to is the sulphite fumes, which are very bad when the wind is in a certain quarter. I am sure some arrangement could be made to overcome that. If not, something should be done to prohibit it.

These are matters as to which something should be done before we undertake to spend $4,000,000. Remember, this is not our money, not Ottawa money; it belongs to the people of Canada; and they are interested in the matter. In my opinion some steps should be taken to remedy the conditions to which I have referred.

Hon. Mr. BELCOURT: I see that my honourable friend from Edmonton (Hon. Mr. Griesbach) is right in saying that the Ottawa Improvement Commission is gone. It is to be called the Federal District Commission.

Hon. Mr. GRIESBACH: Without a federal district.

Hon. Mr. BELCOURT: I am only calling attention to that to say that the federal district is still in the air, so to speak.

Hon. Mr. BELCOURT.

Hon. Mr. BLACK: I want to endorse the remarks made by the Leader of the Progressive Party in this House (Hon. Mr. Turriff). Ottawa will never be a beautiful city until the air is purified. About three days a week the air here is not fit to breathe and the city will never be fit to live in until you have water fit to bathe in. Not only is the water dirty, but it has an odor that is almost as bad as the odor that comes from the mills across the river.

Hon. Mr. BELCOURT: I may say that about ten years ago the Corporation of the City of Ottawa undertook to get a supply of water from the Gatineau lakes—31-mile Lake, which is quite a big lake, 25 or 26 miles long, and 22 or 23 miles wide. That lake is as fine a body of water as is to be found on this Continent. The Corporation carried matters to the extent of getting the Government of Quebec to pass an Act authorizing expropriation, and the other steps necessary to secure this water supply, and I do not remember exactly why the scheme was not eventually carried out, unless it was for financial reasons.

Hon. Mr. GRIESBACH: Was it a gravity system?

Hon. Mr. BELCOURT: Yes. No doubt that scheme would have furnished Ottawa with as fine a supply of water as could be got. Lately there has been a revival of interest in that scheme, and I think if the Government were disposed to lend its assistance a perfect system of water supply could be established in a very short time.

I think the honourable gentleman from St. John (Hon. Mr. Black) is quite right with regard to the fumes of which he speaks. I do not see why steps should not be taken to prevent our getting the benefit of the fumes from the sulphurous acid whenever the wind is blowing from the north. It seems to me, the attention of the Government having been called to this, that something should be done. I am told that there are means by which this escaping gas can be consumed right in the chimney, or just as it comes out of the chimney. The trouble is that everybody's business is nobody's business, and those who should do not choose to act.

As far as Ottawa is concerned, I am sure honourable gentlemen will agree that naturally there is no more beautiful spot in the world, and that, to use common language, it is up to the citizens and Parliament to make it the most beautiful city on this continent. All that is necessary is that the people inter-

ested in the city—and I assume that every Canadian is interested in the capital—should be willing to spend the money required, and see that the work of beautifying the city is done in a proper way. There is no reason why we should not have the finest capital in the world.

Hon. Mr. POPE: After the recent legislation in the Province of Ontario, which is to come into effect about the 1st of June, I do not see why we, who are here only during the Parliamentary Session, should worry about the water supply of Ottawa.

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

The Senate adjourned until to-morrow at 11 a.m.

THE SENATE

Saturday, April 9, 1927.

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

DIVORCE BILLS

FIRST, SECOND AND THIRD READINGS

Bill O8, an Act for the relief of John Falko.—Hon. Mr. Willoughby.

Bill P8, an Act for the relief of Mary Edna Thompson.—Hon. Mr. Willoughby.

Bill Q8, an Act for the relief of Charles Edward Thompson.—Hon. Mr. Willoughby.

Bill R8, an Act for the relief of Halsey Vanderleith Welles.—Hon. Mr. Willoughby.

Bill S8, an Act for the relief of Henry Raymond Mugridge.—Hon. Mr. Willoughby.

Bill T8, an Act for the relief of Laura Gertrude Sutherland.—Hon. Mr. Willoughby.

Bill U8, an Act for the relief of Edith May McColl.—Hon. Mr. Willoughby.

Bill V8, an Act for the relief of Katherine Alison Pomphrey Weldon.—Hon. Mr. Willoughby.

Bill W8, an Act for the relief of Marion Scott.—Hon. Mr. Willoughby.

Bill X8, an Act for the relief of Lillian Maud Oram.—Hon. Mr. Willoughby.

Bill Y8, an Act for the relief of Arthur James Carey.—Hon. Mr. Willoughby.

Bill Z8, an Act for the relief of James Robert Kendrick.—Hon. Mr. Willoughby.

Bill A9, an Act for the relief of Richard Thomas Keeth Stinchcombe.—Hon. Mr. Willoughby.

CUSTOMS BILL

REPORT OF COMMITTEE ON BANKING AND COMMERCE

Hon. Mr. BLACK moved concurrence in the Report of the Committee on Banking and Commerce on Bill 172, an Act to amend the Customs Act.

Right Hon. Sir GEORGE E. FOSTER: Just how does that leave the Bill?

Hon. Mr. DANDURAND: It leaves it in the state in which it reached us. The changes are practically only clerical, and are of no importance.

The Report was concurred in.

THIRD READING

Hon. Mr. DANDURAND: I move the third reading of the Bill, as amended.

Hon. W. B. ROSS: I want to say just one word. I have no objection to the Bill, except as to certain penalties which I think are excessive. I so stated in Committee, and wish to state it again so that it may appear on Hansard. Under certain circumstances a penalty of seven years is imposed. I think that is excessive, and that the result will not be what the promoters of the Bill anticipate. My opinion is that it will work the other way.

Hon. Mr. DANDURAND: While the maximum penalty may seem somewhat severe, I desire to draw the attention of my honourable friend and the House to the fact that there is considerable leeway between the maximum and the minimum. I think it is the minimum penalty that should be considered. If it should happen that two Justices of the Peace, or a Judge were to take a serious view of an offence, and for the purpose of influencing public opinion against the work of the bootlegger along the coasts of the Maritime Provinces or of the Lakes, for instance, were to impose a very stiff sentence, it would have a very considerable influence on public opinion. But one must not forget that there is always recourse to the Minister of Justice, and that there may be a revision of the sentence, or that a ticket of leave may be issued. These amendments will indicate the opinion of Parliament in the matter of the repression of smuggling, which is carried on so easily through the use of the motor car.

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

EXCISE BILL

REPORT OF COMMITTEE ON BANKING AND COMMERCE

Hon. Mr. BLACK moved concurrence in the Report of the Committee on Banking and Commerce, on the message from the House of Commons disagreeing with Senate amendments to Bill 119, an Act to amend the Excise Act.

Right Hon. Sir GEORGE E. FOSTER: How does that leave the legislation?

Hon. Mr. DANDURAND: We have restored the penalty clause to the form in which it came to this Chamber, and have abandoned the amendment in that regard that we made here. This is in accord with the amendment to the Customs Act. We do not insist upon that amendment, but we insist upon the amendment which provides that the certificate of the analyst is to be taken as prima facie evidence.

Hon. Mr. McMEANS: Do I understand that the amendment moved by the honourable gentleman from Ottawa (Hon. Mr. Belcourt), and which went to the House of Commons and was there rejected, is now concurred in?

Hon. Mr. BELCOURT: I moved two amendments. The Bill as it came to us from the House of Commons provided that the certificate of the analyst should be evidence. I moved to change that to provide that it would be prima facie evidence. If the Bill had remained as it came to us the accused would not have had the right to dispute what was shown by the certificate. I thought that was going too far, and suggested that we should make it prima facie evidence, which leaves it open to the accused to rebut that evidence in any way he can. The House of Commons refused to accept that amendment, and we insist upon it.

The other amendment was that the onus of proof should rest on the accused in the case of his having liquor in his possession. I moved in the Committee that that be stricken out. Honourable gentlemen may remember that on another Bill during this present Session I took the ground that to put upon the accused the onus of proving his innocence is a violation of a fundamental principle of criminal law in the Empire, that a person is looked upon as being innocent, and is treated as innocent, until he is proven guilty. That amendment the House of Commons refused to adopt, and in Committee yesterday we came to the conclusion that it was better not to insist upon it.

So the only amendment that we are insisting upon is the first one of which I spoke, namely, that the "evidence" in that section should be prima facie and not conclusive. That amendment we insist upon. The other is abandoned.

The motion was agreed to.

Hon. Mr. DANDURAND moved:

That a message be sent to the House of Commons to inform that honourable House that the Senate doth insist on its first amendment to Bill 119, intituled an Act to amend the Excise Act, to which the House of Commons has disagreed, but do not insist upon its second amendment.

The motion was agreed to.

CIVIL SERVICE ANNUITIES BILL

THIRD READING

Bill 232, an Act to provide annuities for the widows of certain Civil Servants.—Hon Mr. Dandurand.

DEPARTMENT OF NATIONAL REVENUE ACT AMENDMENT BILL

FIRST READING

Bill 281, an Act to amend an Act of the present Session intituled "An Act respecting the Department of National Revenue."—Hon. Mr. Dandurand.

SECOND READING

Hon. Mr. DANDURAND moved the second reading of the Bill.

He said: Honourable gentlemen, during the present Session we passed a Bill establishing the Department of National Revenue. It has not yet been sanctioned, and we are now asked to amend it. The purpose of the present Bill is to make the amendment desired. It has been found that certain chapters concerning the Department of Customs and Excise, affected by our amendment constituting a new Department, under a new name, and merging together three former departments, were annulled in toto, whereas a certain number of clauses are still needed for the administration of the Department of National Revenue. So the present Bill declares:

The Department of National Revenue Act is amended by repealing section seven thereof; and such provisions of The Department of Customs and Excise Act, chapter twenty-six of the statutes of 1921 as amended by chapter eighteen of the statutes of 1922 and chapter thirty-seven of the statutes of 1924, as are not inconsistent with The Department of National Revenue Act as so amended, are hereby revived and shall be construed and take effect as though the section seven aforesaid had not been enacted.

In other words, the Bill which we passed went a little too far, covering more clauses than should have been covered, and now we are reviving those parts of the Act that are not in conflict with the Bill which we have passed.

If I have made myself sufficiently clear, I will move the second reading of this Bill.

Right Hon. Sir GEORGE E. FOSTER: That is, we were misled.

Hon. Mr. DANDURAND: The Departmental officers had a summary of the Acts with which they could dispense, but after the Bill had passed and they came to examine the situation they found they had gone further than they intended.

Hon. Mr. BUREAU: They found the Act was abolished.

Right Hon. Mr. GRAHAM: They repealed the whole Act?

Hon. Mr. BUREAU: There was no Customs and Excise Act after the amendment was passed.

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

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

THE AGRICULTURAL POISONS BILL, 1927

FIRST READING

Bill 257, an Act to regulate the sale and inspection of agricultural economic poisons.—Hon. Mr. Dandurand.

SECOND READING

Hon. Mr. DANDURAND moved the second reading of the Bill.

He said: Honourable gentlemen, I will move the second reading of this Bill, and, if that motion carries, will then ask the Senate to refer it to the Committee on Banking and Commerce. Honourable gentlemen might suppose that it would be rather more appropriate to send it to the Committee on Agriculture, but that Committee is a very small one, and from telegrams I have been receiving from various sources it appears that there are features of this Bill that affect trade and commence.

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

IMMIGRATION BILL

FIRST READING

Bill 269, an Act to amend the Immigration Act.—Hon. Mr. Dandurand.

SECOND READING POSTPONED

Hon. Mr. DANDURAND: Honourable gentlemen, there is more information given in the marginal note than in the Bill itself. The Bill says:

Section forty-one of The Immigration Act, chapter twenty-seven of the statutes of 1910, as enacted by chapter twenty-six of the statutes of 1919, is repealed.

I see in the marginal note that it concerns the deportation of undesirable classes. It is an old friend that we have had with us two or three times. I thought I had made a convincing argument in favour of the Bill last year, but apparently I was not eloquent enough to get it passed.

Hon. Mr. TANNER: How would it do to send it to the Committee on Agriculture, to be used for fertilizer?

Hon. Mr. DANDURAND: I am in a happy mood just now, but we shall have to treat it seriously. The people represented in the Commons are apparently insisting upon this Bill. I do not know whether or not it was adopted unanimously in the other Chamber.

Hon. W. B. ROSS: There was a great deal of discussion.

Hon. Mr. DANDURAND: If you do not allow of the third reading without discussion, I will ask that it be deferred until Monday.

Hon. Mr. BELCOURT: What is the object of the Bill?

Hon. Mr. DANDURAND: It is to withdraw from the Immigration Department the right to deport undesirables—

Hon. Mr. BELCOURT: Without trial?

Hon. Mr. DANDURAND: Without a judicial trial.

Hon. W. B. ROSS: I would say to the honourable gentleman that personally I would be prepared to vote on the matter now and have it decided one way or the other. I have the same objection as I had before to the repeal of that section of the Immigration Act; but perhaps it is not fair to the other members of the House to delay action. The Bill might stand over until Monday. I think it will be decided very shortly.

Hon. Mr. DANDURAND: We will put it down for Monday, and if any honourable member desires to have it postponed until Tuesday, I am willing that that should be done.

FRUIT BILL

FIRST READING

Bill 228, an Act to amend the Fruit Act.—Hon. Mr. Dandurand.

THE BATTLE OF VIMY RIDGE

TENTH ANNIVERSARY

On the Orders of the Day:

Hon. W. A. GRIESBACH: Honourable gentlemen, to-day is the tenth anniversary of the Battle of Vimy Ridge. That was a great feature of the landscape, about a mile in width and some six or seven miles in length, which the enemy had strongly fortified and which had resisted the attacks of the Allies almost from the beginning of the war. Eighty thousand French soldiers were killed in various attempts to capture Vimy Ridge. Ten years ago to-day the Canadian Army, for the first time united, attacked, with the assistance of a British Division and some British artillery, and on the close of the day were wholly successful. It marks a great occasion in the development of the national life of this country, because, if I may be allowed to use the expression, it put us upon the map internationally, and much if not all the recognition that has come to us since began with that day.

The honourable gentleman from Alma (Hon. G. G. Foster) has been kind enough, and good enough, to mark the occasion for us by placing upon the desks of ex-service members in the House these bouquets of roses, and I rise on behalf of the ex-service men in the House to thank the honourable gentleman from Alma for his kindly thought.

Hon. Mr. DANDURAND: I desire, in the name of the Senate, to express our high admiration for the deeds of the valiant soldiers who carried Vimy Ridge. I was there before the war, I was there just after the war, and have been there two or three times since then. I have examined the ground and have seen nearly a whole valley, as far as the eye could reach, covered with white crosses which indicate what the Canadian Army and the Allies paid for the carrying of that Ridge. Attempts had been made to take it before, but we may say that the honour and the credit of capturing it came to the Canadian Army. They paid a heavy price, but it will stand to their honour and will immortalize them and for all time make Canadians prouder of the valour of their army and their men.

TRADE MARK AND DESIGN BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 171, an Act to amend the Trade Mark and Design Act, as amended.

Hon. Mr. DANDURAND: Honourable gentlemen, this Bill went to the Committee on Banking and Commerce, where it was thoroughly examined, representations for and against it being heard. The inquiry which took place dissipated to a considerable extent the prejudices which have hovered around this legislation, which has been sought by the labour elements of this country for the past thirty years. The angles had been considerably rounded by the application of the principle contained in the Bill, and it has been shown that it is fairly innocuous and tends to bring capital and labour nearer together in joint and happy co-operation. With these few remarks, I move the third reading of this Bill.

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

CANADA GRAIN BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 235, an Act to amend the Canada Grain Act.

Right Hon. Sir GEORGE E. FOSTER: Has the honourable gentleman no remarks to make with reference to this Bill?

Hon. Mr. DANDURAND: I confess that my attention was directed to another matter for the moment.

Honourable gentlemen will remember that I did not feel that there was any special reason why this Bill should go to Committee —that inasmuch as we had the Bill before us in the Banking and Commerce Committee for a couple of weeks last year, and had made an exhaustive inquiry into it, we were as enlightened upon it as we could be.

I now readily admit that I am very glad we did refer the Bill to the Banking and Commerce Committee. There we focussed our attention upon the main question, and within an hour or an hour and a half reached the crux of the question, which was this: had

the farmers of the West an absolute right from 1912 to 1925, to route their grain to any elevator they chose at the terminal point? The discussion of this question brought the admission from Mr. Snow, the Grain Commissioner, that he had always felt that under clause 150 of the Act of 1912 the farmer of the West had that right.

The Bill now before us is simply for the purpose of restoring that right to the Western farmer. It is nothing new. The situation was somewhat blurred, I believe, by the work of the House of Commons Committee on Agriculture, which last year, upon receiving the Bill drafted by the Chairman of the Royal Commission, the Hon. Mr. Justice Turgeon, amended it in an endeavour to clarify it. I am now convinced that it did not need any clarifying. Mr. Justice Turgeon, in his draft of the Bill, made it clear that under clause 150 of the Act the farmer had the right to route his grain to whatever terminal elevator he might choose.

The Act of 1912 said that grain could be routed, not to any terminal point, but to any terminal, "if either party so desires," and it was my opinion that the party who would first express the desire, would be the farmer. The words "if either party so desires" seem to indicate the possibility of a clash; but when one looks at the Act it is clear that those words meant that the farmer could express his desire and make his election, and it was law. If he did not express a desire, then the elevator man could follow his own inclination and send the grain to whatever public elevator he wished. Mr. Snow, an old manipulator of grain, a man who has been on the Board for many years and knows the traditions of the trade, interpreted that clause as I did.

Mr. Justice Turgeon wanted to clarify those words, but when the Bill went into the Committee on Agriculture of the House of Commons there was, from what I have heard, a formidable lobby, and the clarifying process took place in favour of the elevators, and the Bill was passed in that way. Last year a private member moved to restore the right of the farmer to direct his grain to whatever elevator he might chose, but dissolution prevented action by this Parliament. Now we bring forward a Bill to give the farmer the right, which he possesed up to 1925, to route his grain where he pleases. The Grain Commissioners being asked by the Minister of Trade and Commerce to try to find some way of bringing the parties nearer together, suggested that the farmer should have the right to route his grain to whatever elevator he chose, leaving the responsibility upon the owner of the country elevator to give him the grade which he had recognized—that the country elevator owner should remain responsible for the grade, but that he should not be responsible for the weight.

The farmers of the West said that from 1912 to 1925 the country elevator owner was responsible for grade and the weight, and they insisted that the right which they had enjoyed up to 1925 should be restored in its entirety. The present Bill restores that right in its entirety. That situation was discussed in the Committee, and it was decided that the Bill should be passed without any amendment. There was discussion pro and con, a diversity of opinion. and a sharp line of cleavage, and an amendment was moved as a compromise, that the suggestion of the Grain Board be substituted. That amendment was rejected, and there we are with a Bill to amend the Canada Grain Act, and to restore, as I believe, the right which the farmer had.

Now, some question has been raised as to the effect of that amendment upon trade in general, conditions being different from what they were prior to 1925, and the argument has been advanced that the owners of the public elevators in Fort William and Port Arthur, who have invested considerable capital, would possibly be injured if the farmer had the right to send his grain to a Pool elevator, and not to one of the public elevators. I believe the conditions are such that the owners of those terminal elevators will continue to do business, at all events with that part of the farming community that does not belong to the Pool; and they will have to conform to the changing conditions of trade as they take place from year to year and from decade to decade.

In 1919 there was an inquiry by a Committee of the House of Commons into the profits made by the elevator company at the expense of the farming community. Gradually the farming community of the West had come to the conclusion that they were paying 200 times too much for the services that they were receiving, and it was this realization which prompted them to organize for their own defence. I will read but one question which was asked Mr. John I. McFarland, a director of one of these large elevator companies having elevators in the West as well as a terminal elevator. I quote from page 993 of the Journals of the House of Commons, a question put by Mr. Davis:

Your profits have been very large; you have been one of the most successful grain companies

that has come to our notice. How do you account for this? Roughly, you have made 99 per cent in dividends on common stock in the last six years; that is a calculation from your statements, and your accumulations in investments and the increase in value in your properties and reserve amount to nearly $5,000,000 in excess of your original assets. So that means nearly 300 per cent earnings in six years on a capitalization of two and a half million dollars. These are certainly large profits. Have you been margining your grain; have you been hedging?

The answer to that was:

No, sir, very seldom.

From this statement it is apparent that tremendous profits are made in that trade, and the farmers of the West said that it was at their expense. I asked Mr. Snow: "You recognized that up to 1925 the farmer of the West had the right to direct his grain to whatever elevator he might choose at any terminal point;" and he said, "Yes, that is my opinion, but it was seldom taken advantage of." That right was withdrawn from the farmer just at the moment he wanted most to make use of it; so the farmers of the West say: "We have a grievance, a grievance against the Parliament of Canada for dispoiling us of our right to send our grain where we please, as we could do under the Act of 1912." I believe that we owe to the farmers of the West, the men who carry the load, a measure of sympathy, and should extend to them the rights that they enjoyed under the Act of 1912.

Now, I find a resolution passed, I believe unanimously, by the Legislative Assembly of the Province of Saskatchewan on the 22nd of February, 1927. It says:

That, whereas in the revision of The Canada Grain Act in 1925 the Dominion Parliament did not establish the right of the producer to consign his grain from the country elevators to his own choice of terminal elevator, with full protection as to grade and weight; and

Whereas the Dominion Government has intimated its intention to introduce at this Session a Bill amending The Canada Grain Act; and

Whereas the establishment of the aforesaid right by statute is of vital importance to the welfare of the producer of grain and to the continuance and extension of the co-operative system of marketing grain;

Therefore, be it Resolved, That this Assembly declares itself in favour of the aforesaid rights being established in their entirety, and requests the Government to urge the Dominion Government to introduce the necessary amendments embodying this principle and guaranteeing the aforesaid right by statute.

Here is the Province of Saskatchewan speaking unanimously in favour of the right of the farmer, and I should be very much surprised if a representative of that community, which is exclusively or almost exclusively a farming community engaged in the raising of wheat, should in this Chamber put any obstacle in the way of restoring to the farmers of the West the right which they enjoyed under the Act of 1912, and of which they were deprived by the amendment of 1925.

I move the third reading of this Bill.

Hon. Mr. BELAND: Just one word. It is only a question I desire to ask the honourable gentleman. For the benefit of those members of this House who were not present in the Committee room I would like to ask the honourable gentleman whether he is able to supply any information as to the proportion of grain that is pooled. He referred to the question of trade and to the pooled grain. What proportion of the grain of the West is pooled? Also, what proportion of the elevator space at the terminal points is Pool space?

Hon. Mr. DANDURAND: We had information last year as to the proportion of the farmers who were in the Pools. My memory does not carry me back to that. My honourable friend from Moose Jaw (Hon. Mr. Willoughby) may be able to give us the figures. I have been told that the number of farmers in the Pools has increased since then, but I could not state the proportion.

Hon. Mr. WILLOUGHBY: It is 60 per cent, I am instructed.

Hon. Mr. BELAND: What about the elevator space at the terminal points?

Hon. Mr. WILLOUGHBY: I have not the data of last year; but in another connection I have some information to give the House. There has been a change in conditions since last year, owing to the fact that the Saskatchewan Co-operative Elevator Company, who had a large system of elevators at the head of the Lakes, has been taken over by the Pool. My information is that the Pool has 650 country elevators in the three Provinces, largely in consequence of that absorption of the Saskatchewan Co-operative. At the head of the Lakes it has six terminal elevators, with a storage capacity of about 18,000,000 bushels. My recollection is that 55, 56, or 57 million bushels is the total storage capacity at the head of the Lakes.

Hon. Mr. BELAND: Thank you.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, my honourable friend (Hon. Mr. Dandurand) has in part laid before us the results of the meeting of the Banking and Commerce Committee, and in a somewhat

larger part he has made a very fervid appeal in favour of the Bill as it comes from that Committee. There are, however, some considerations which have been presented, both last year and this year, to the Committees which in each case have had this subject before them. These considerations are probably not altogether known by members of the Senate who were not members of the Committee, or who did not attend that Committee.

My honourable friend has said that the Committee decided in favour of the Bill as it was presented to the Committee, and against the amendment which was proposed. That is true, but the force of that remark is considerably diminished, I think, if it is followed by the statment, with respect to that decision, that those in favour of the present Bill had 14 votes and those against it had 13.

Hon. Mr. DANDURAND: Those are not exactly the figures.

Right Hon. Sir GEORGE E. FOSTER: What are the figures?

Hon. Mr. SHARPE: That is what I understood.

Hon. Mr. DANDURAND: It looked like that, but when the figures were examined it was found that an honourable member of the Senate had voted who was not on the Committee.

Hon. Mr. ROBERTSON: Which way?

Hon. Mr. BELAND: Was he among the 13?

Hon. Mr. DANDURAND: He was among the 13. It was lucky that his name could be taken from the 13, for 13 is supposed to be an unlucky number.

Right Hon. Sir GEORGE E. FOSTER: That was the decision made by the Chairman, as I heard it, and I give it as it came to me. The fact that is brought out by that statement is that the jurors were pretty nearly evenly divided on the question whether or not the farmer had that right in 1912 and it was taken away from him in 1923 or 1924—

Hon. Mr. DANDURAND: In 1925.

Right Hon. Sir GEORGE E. FOSTER: —or 1925, and that the purpose of the Government was to restore that right. The investigation by the Committee yesterday continued for two or three hours and was quite thorough. Added to the investigation of the preceding Committee, it brought out practically all the information that was available. Yet we have this condition of things. My honourable friend who leads the Government was very positive, both here and in Committee, that this right existed, and those who took the same view held that opinion strongly. On the other hand, it was held as strongly that the farmer had not that right in 1912. So it may not be amiss to have the Senate understand that at least there is a difference of opinion, and it is a difference founded upon the conclusions of very eminent counsel.

Mr. Isaac Pitblado, an eminent counsel from Winnipeg, gave a reasoned opinion last year before the Committee, and it was substantiated at the meeting of the Committee yesterday. The concluding sentence of Mr. Pitblado's statement is this:

> It is therefore submitted that the producer did not under the 1912 Act have the legal right to select the particular terminal elevator to which he wished the grain consigned.

That is a plain English sentence.

Hon. Mr. DANDURAND: Of the solicitor.

Right Hon. Sir GEORGE E. FOSTER: That is the concluding sentence of the statement which was given to the Committee.

There are eminent counsel in other cities than Winnipeg; one, particularly in the city of Toronto, and another particularly in the city of Montreal. Mr. Lafleur, whose name is recognized as that of a very eminent counsel from the city of Montreal, after having gone over the presentation and the conclusion by Mr. Pitblado, says:

> I have examined and considered the above opinion, and I concur therein.

Mr. W. N. Tilley is a very eminent counsel of the city of Toronto. His name is known and his status thoroughly established. Mr. W. N. Tilley says:

> I have carefully considered the above, and I entirely concur with the opinion expressed.

I have great respect for the legal opinion of my honourable friend who leads the Government in this House (Hon. Mr. Dandurand), but when eminent lawyers like Mr. Pitblado, Mr. Tilley and Mr. Lafleur hold an opinion which is absolutely opposite to the opinion of my honourable friend, I am not lacking in courtesy to my honourable friend if I take leave to say that I have a certain degree of confidence in relying upon the opinion of these three eminent counsel in this particular case. It is something for honourable members of the Senate to understand that legal opinions differ with reference to this question, and that it is open to anyone to confide his judgment according to his belief in the efficiency and

capability of these counsel. It is at least a disputed question. Nobody can cavil at a statement of that kind.

The appeal which was made in the Committee, and has been made here, would be a strong appeal if it were absolutely uncontradicted. It is to the effect that the farmer had a certain right before, that it was taken away from him practically by a decision or recommendation of a Committee of the other House, and that it is our duty to restore it to him. We are left in this position, with reference to that argument, that it is a disputed point, and most eminent counsel are on the negative on the question whether or not the farmer did have a certain right in 1912, which was taken away from him in 1925, and which it is our duty to restore to him in 1927.

Another statement which was made by my honourable friend (Hon. Mr. Dandurand) may not be quite so strong as it was when it came to the Senate, if other circumstances are taken into account. A Royal Commission went through the three Prairie Provinces from end to end and took twelve months or more in making a thorough investigation into the workings of the Grain Act. That Commision held meetings in every important section of the three Prairie Provinces. Everybody was invited to come, state his grievances, and have them investigated. During the course of that whole investigation by Mr. Justice Turgeon and his confreres, who met in all parts of the Prairie Provinces, there was complete freedom for the submission of grievances and the giving of evidence, either for or against. After the twelve months had passed that Commission made its report. The statement stands uncontested, I think, that between the covers of that report you cannot find that there was taken before that Commision at any place in any one of the three Prairie Provinces, any grievance to the effect that the farmer had in 1912 a right which was taken from him in 1925, and that this grievance ought to be remedied.

Hon. Mr. DANDURAND: I would draw the attention of my right honourable friend to the fact that the farmer had no grievance at that time. His right had not been taken away from him or challenged.

Right Hon. Sir GEORGE E. FOSTER: The year 1925 is not very far removed from 1926, and in 1926 the question was dominant in Ottawa and in the three Prairie Provinces.

Hon. Mr. DANDURAND: Because of the Act of 1925.

Right Hon. Sir GEORGE E. FOSTER: Well, it seems to me that if from 1912 to 1925, a period of thirteen years, there had not transpired a single event which was big enough to constitute a grievance to be taken before that Commission, there is something a little weak in the assertion—not to call it an argument—of my honourable friend.

Hon. Mr. DANDURAND: There was no grievance then.

Right Hon. Sir GEORGE E. FOSTER: Now, take into account the uncontested fact that during the whole investigation no grievance was urged, and that in the report of the Commissioners this subject was not alluded to at all.

Commissioner Turgeon's name has perhaps greater weight, when mentioned as that of a Commissioner appointed to carry out such and such a work, than would have the more democratic names of the members of the Board of Grain Commissioners. So my honourable friend takes all the advantage which is justly his in mentioning Commisioner Turgeon in reference to the next phase of the transaction.

What was the next phase of the transaction? The grievance, such as it was, came to the front. There was a certain transaction in which a grain elevator received a request from a farmer that his grain should be routed through to Vancouver instead of to the head of the Lakes. The grain elevator man, reading the Act, and relying upon the authority which he thought he had, told this farmer that he had no right to route his grain through to Vancouver; that he must route it through to the terminal point at the head of the Lakes. So that question arose—before whom? It arose before the members of the Grain Commission, and the members of the Grain Commission very quickly told this elevator man that he was wrong, and that the farmer had the right to send his grain to the terminal point at Vancouver, just as he had a right to send it to a terminal point at the head of the Lakes. Well, the Grain Commissioners, the three men, having that practical question put to them, and that difficulty, which they solved in that particular case, came to the conclusion that it would be a wise thing to solve it generally, and eliminate it as a point of contradiction or of prohibition. So they themselves suggested that there should be an amendment to the Act by which that doubt should be solved, and the question should be made clear whether or not the farmer had the right to say to what terminal point—which is different from the terminal

elevator—to what terminal point his grain should be shipped.

An amendment was drafted by Commissioner Turgeon. But that is quite different from asserting that Commissioner Turgeon, in drafting that amendment, made a decision upon the question and put his decision in the form of an amendment. That amendment was approved and suggested by the Grain Commission.

There seems to be some counter-assertion with reference to that. I suppose it is fair for us to go straight to the Board of Grain Commissioners themselves and see what they did say. There are three of them, and these three Commissioners were before the Committee of Agriculture in June, 1925. They were asked with reference to this amendment, and I will read what they say. It will stand by itself, without comment. The Chairman, Mr. Boyd, said:

The Board of Grain Commissioners takes responsibility for this amendment. If you will notice, the old section read, "If either party so desires". The Board itself was unable to comprehend just exactly what that meant, and we could not find anybody else who did. It was a very indefinite and uncertain wording and during the early part of this year the Board had some difficulty in obtaining the right we thought the farmer had, of shipping his grain to Vancouver. The Board introduced this amendment for that purpose, and that purpose alone, to see that a farmer could ship his car either to Vancouver or Fort William, just as he pleased.

It was the terminal point and not the terminal elevator which was in question, and the Commissioners had in view making it absolutely clear, so that there should be no doubt about it hereafter. He goes on:

Now, the country elevators have certain rights in all these affairs, and the Board is satisfied that the amendments as suggested through Dr. Magill are quite satisfactory and will give to the farmer now what the Board thought he was entitled to.

That is Mr. Boyd, the Chairman.

Mr. Robinson, another member of the Committee:

Mr. Chairman, I just want to say that I endorse what our Chairman has said. I believe that the amendment is better than the draft of the Bill. I do not believe—

And here is a sentence which I think has wisdom in it—

I do not believe any party will ever gain by committing an injustice on another party, and I feel certain that if that is left as it is, the country elevator will suffer and the terminal elevator will suffer. This proposed amendment does not take away the right of the producer of grain to say to what terminal point it should be shipped. But there is something more which I would like to emphasize and that is that it will go to a public terminal, according to this amendment, unless the farmer or producer of the grain wishes to make a bargain under Section 141 and ship it to a private elevator. I would strongly endorse the amendment as proposed.

Commissioner Snow's statement, found on page 48, was substantially identical with those of his colleagues.

So we have the testimony of the three men themselves, and it is better than the opinion of any men outside. That is a record of the statements given before a Committee of the House of Commons, I think the Committee on Agriculture. They sought to have eliminated all doubt as to whether or not a farmer had the right to send his grain to any terminal point.

The Senate will understand that just about that time Vancouver was opened to the shipment of grain, and constituted a terminal point. Before that there was practically only one terminal point, that was at the Head of the Lakes, so it was to clear up this matter that the members of the Board of Grain Commissioners, and not Commissioner Turgean, proposed this amendment, and it was drafted by Commissioner Turgeon in conference with the three members of the Commission.

Hon. Mr. DANDURAND: On the same lines as this Bill.

Right Hon. Sir GEORGE E. FOSTER: I have read just what the lines are, and I am giving no interpretation; every member of the Senate is quite competent to make an interpretation for himself, without any pleading either on my side or on that of my honourable friend.

Now, let us take another point. In a very cavalier way—I think much more cavalier than if my honourable friend had been dealing with a corporation in which he had large invested interests—he set aside any claim that the grain-handling interest, the elevator interest, would have to any particular damage if this Bill goes through as it is, because that interest had always found a way of making its profits, and it would do so hereafter; therefore it might be allowed to look after its own business. That suggests two or three considerations which I am quite sure members of the Senate will examine for a moment.

Let us go back to the time when the farmer had a large production of grain, but no way of getting it to the head of the Lakes or the markets of the world. At that time he was not able to raise the money to furnish his own facilities for taking his grain from his railway station, so that it could get to the world markets. Neither were the railways in

a position at that time, nor did they wish, to provide efficient machinery for carrying grain from the different parts of the western prairies to the head of the lakes, and so on towards its market. Who came to the front at that time? Private individuals, animated by two motives, one being the human motive which saw a business out of which something could be made, and the other the idea of service to vital interests in the country by providing efficient methods of moving those products to the world markets. Those individuals put their money into the construction of rural elevators, and also in connection with them, terminal elevators at the point where storage was demanded and must be had, else the whole business would be lame at one end, and the two had to be carried on together to make a perfect machine. The investors had the profits which came from both classes of elevators, and this was perhaps an attraction to capital to go into that business at all. It is stated, I think without contradiction, that up to the present time, some $85,000,000 has been invested in that business, and the farmer's grain is taken from his hands and placed in a direct channel of communication to the markets of the world. For that service the farmer pays certain fees and dues, both to the country elevator and to the terminal elevator; and those dues were under the direct control of Parliament which formulated enactments. If the charges were too great, Parliament had the right to bring them down. Those rates were reduced by degrees, and they have always been subject to examination and review and rearrangement if found to be too high.

At that time there were no pools; but within the last few years the farmer, exercising his absolute right, concluded that he must do more than raise grain—that he must also take hold of the handling of it. It is perfectly within his right to do that, and to make out of it all the profits which are possible in handling the produce of his own hands; no one controverts that right; I think everybody congratulates the farmer on rising to that point of view. If he can increase his profits by handling the grain which formerly went to another party, it is his right and privilege, and in a way it is his duty to do that, and make the most he can for himself.

In the course of that provision of machinery, money was invested, and money rights are involved; therefore, while the farmer has a perfect right to engage in the grain-handling business, he ought not, as Mr. Robinson very truly says, to commit an injustice to business concerns with which he is competing. Competition is fair, but it never pays for one party in competition to do injustice to another party, and thereby seek to make his gains greater. Such conduct reacts on himself; it is against the idea of human justice, and economy, and good working business.

Now we come to this year, 1927, and the Minister of Trade and Commerce, seeing that this question is to come up, and that his Department is the one involved, naturally looks to the three men who for 20 years in the West have been immersed in and thoroughly conversant with all the ins and outs of grain production and grain handling. The Minister naturally says to himself: "There has to be legislation; I think I had better get the view of my three Commissioners, who not only have their own personal experience for the time they have been on that Board, but who inherit the accumlated experience and wisdom of the Board for 20 years, and of those who have preceded them." The Minister therefore asks for that opinion, and gets it, and along with it he gets a draft of amendments on which these three Commissioners unite, based on their personal observation and experience during 20 years. They recommend to their Minister to take those amendments in place of the second and third sections of the Bill as introduced. Their view is that that was a compromise which would be fair to both sides, would not particularly injure anybody, and would solve the problem. The Minister may have considered those amendments, or not; I am not going to seek to inquire into the secrets of a Department; but this much is sure, that when that Bill was brought up for second reading in the House of Commons—not by the Minister himself but in his absence by a Minister who had nothing to do with his Department—and was passed through in three minutes' time, no intimation was given to the 245 members of the House of Commons that the opinion of those experts had been obtained, and that it was crystallized in the amendment which they recommended the Minister and the Government to accept.

Hon. Mr. DANDURAND: I believe the right honourable gentleman is in error. Those documents and the correspondence had been deposited on the Table of the House.

Right Hon. Sir GEORGE E. FOSTER: I am stating just exactly what is the fact. The record can be read. The documents may have been deposited on the Table of the House, but from the beginning to the end of the very quick pasage through second and third readings in the House of Commons, that information was not mentioned at all by the Minister who was in charge of the Bill.

Hon. Mr. DANDURAND: The House was unanimous.

Right Hon. Sir GEORGE E. FOSTER: And I take leave to say, from my own experience in the House of Commons and also in the Senate, that it is quite possible that a document may be laid on the Table of the House, and action may be taken so soon thereafter that no member, or very few members in either House, would have knowledge of that paper, and consequently benefit by what is recommended, or criticise it as to its contents.

Now, this amendment was proposed yesterday in the Senate Committee, and it was on that amendment that the jurors decided for the present clause in the Bill but not by an overwhelming majority—13 voted for the amendment, and 14 for the clause in the Government Bill. Therefore I think it is fair that the Senate should have that amendment placed before it, even if there was in the Committee but one vote in favour of the Bill.

An Hon. SENATOR: Two votes.

Right Hon. Sir GEORGE E. FOSTER: Two votes, if you like, but I think it is fair that the members of the Senate should have this proposition before them, so that they can exercise their judgment upon it also. Therefore I propose to move that the Bill be not now read the third time, but that it be amended by striking out subsections 2 and 3, and substituting therefor the amendment referred to.

This amendment gives absolute right to the farmer to have his own grain delivered, at his option and will, either at the rural elevator, in which he places it for storage, or at any terminal elevator or terminal point in Canada that he chooses. It is absolutely his right to control it. Suppose he puts 2,000 bushels of grain in the country elevator, and gets his ticket showing the weight and grade of that grain, and the sample is taken and kept mutually. That is his grain in storage. At any moment thereafter he can come back to that rural elevator man and say: "I want you to weigh out 2,000 bushels of grain of the grade that is on this ticket, which I delivered to you," and it is the duty of the elevator man to do so when asked. Or the farmer can say to the elevator man: "I don't want to take this grain out to ship it myself; it is deposited with you; I want you to send it to such and such a terminal point, and to such and such a public elevator at that terminal point;" and his command must be obeyed: the elevator man has to deliver at that point the grain in grade which was put in the rural elevator by the farmer himself. That gives the farmer absolutely his right.

But when the farmer comes to the rural elevator man and says: "You have my grain; you have stored it; I have your tickets; I want you now to weigh this out; I am going to take that grain and ship it myself;" then this amendment says—and it seems to be a fair thing: "Very well, if you take your grain out of the elevator, and get what you put in, in weight and grade, and then undertake to ship it yourself by whatever route you please, and to whatever elevator, you must take the responsibilty of getting the grain there. When it gets there you will get the grade, but you must take the responsibility for the weights." Is that not absolutely fair? But if the grain remains, and is sent by the elevator man himself, then the elevator man has to deliver it, as per usual, at the terminal elevator.

Those are the two principal points in the matter. First, if this amendment is passed, the man who produces the grain, or gives it to the elevator, holds the disposition of it absolutely in his own hands, but he is not in a position to say: "If I interfere with the business that you have been carrying on, and in which you have invested your money, and take away from you a part of the earnings and profits which otherwise would be yours, then I must release you from the responsibility of carrying the grain to the terminal point as far as weights are concerned." That is all.

Now, it seems to me that an amendment of that kind, backed by the authority of the Grain Commissioners, with their statement that this will be eminently fair and just to both parties—which I believe has been acceded to by the grain-handling people, but not by the grain producers—will commend itself to the fair-mindedness of the members of this House. This is the amendment:

2. Such receipt shall also state upon its face that the grain mentioned therein has been received into store, and upon payment or tender of payment of all lawful charges for receiving, storing, insuring, delivering or otherwise handling such grain which may accrue up to the time of the return of the receipt, the grain is deliverable to the person on whose account it has been taken into store, or to his order, either (a) from the country elevator where it was received for storage, or (b) in quantities not less than carload lots on track at a terminal elevator at such terminal point in the western inspection division as the owner may specify (or on track at such proper terminal elevator at or adjacent to Duluth as the owner may specify) so soon as the transportation company delivers the grain at such elevator and the certificates of grade and weight are returned.

Where delivery is made into cars on track at the country elevator, the country elevator operator shall weigh the grain into the car or cars provided therefor, and keep a correct record of the weights, and the bill of lading (if issued) and a true copy of the drafts of the grain as weighed shall be delivered by the country elevator operator to the owner, or mailed forthwith to him at his last known post office address, and also, if requested, an affidavit of weight made by the elevator operator shall be furnished to the owner. Upon complying with these provisions the country elevator shall be relieved from further liability for grades and weights except in so far as the subject to grade and dockage ticket otherwise provides, and subject to such regulations as the board may determine.

Where delivery is to be made at a Terminal point, the person delivering the grain to the country elevator may at the time of such delivery select in writing the particular terminal elevator to which he wishes the grain consigned. If such selection is made as aforesaid, the country elevator shall weigh the grain into the car or cars provided therefor, and keep a correct record of the weights, and a true copy of the drafts of the grain as weighed shall be delivered by the country elevator operator to the owner, or mailed forthwith to him at his last known postoffice address, and also, if requested, an affidavit of weight made by the elevator operator shall be furnished to the owner. Upon complying with these provisions the country elevator shall be relieved from further liability for weights (notwithstanding anything to the contrary contained in section 158 of this act) but shall not be relieved from responsibility for grade or for the preservation of the identity of the grain if the grain is special binned.

Where delivery is to be made at a terminal point and the person who delivered the grain to the country elevator did not select as aforesaid any particular terminal elevator, the country elevator may consign the grain to and deliver it on track at any public terminal elevator selected by the country elevator, unless otherwise mutually agreed upon in accordance with the provisions of section 140 of the Canada grain act, and in such case the country elevator shall be responsible for weights and grade at the terminal point.

3. Nothing herein shall prevent the owner of such grain from at any time before it is shipped to a terminal point requiring it to be shipped to any other terminal point than is hereinbefore provided.

4. (New sub-section). Nothing herein contained shall be so construed as to limit or impair the right of the board to make any investigation as provided for in section 166 of this act.

At 1 o'clock the Senate took recess.

The Senate resumed at 3 p.m.

Hon. N. A. BELCOURT: Honourable gentlemen, I promise to be very brief. This Bill is wholly predicated on the right of the farmer to control his grain. In opposition to that right there has been set up in some mysterious way the claim that at some time or other he has lost his right, or has waived it.

Now, what is the legal relation between the farmer and the grain handler? It is simply that the grain handler undertakes to store, conserve, ship and deliver the grain. I have failed to find anything more or anything else in the agreement between the owner and the grain handler. There is nothing in that agreement which, for instance, in any way indicates where, when or how the grain handler, the warehouseman, shall discharge his duty to deliver the grain. There is no indication of any particular terminal point at which it is to be delivered, nor any indication of any elevator at the terminal point in which it is to be stored pending shipment.

The owner has not parted with his absolute right to control the delivery of his grain—a right which, after all, is just as strong as his right of ownership in the property itself. He remains the owner of it all through. The grain handler has acquired absolutely no right of any kind in that grain. He has not even a lien for his services, for the simple reason that he is paid at the outset. Every service which he is to render is paid for. Honourable gentlemen will remember that in addition to the remuneration for his actual services he is allowed a deduction of one-half cent per bushel, which is made in order to cover loss that may be incurred between delivery in the warehouse and delivery on board ship at the terminal point.

The grain handler has acquired no right whatever to control or direct the grain in any way. The day after the agreement is made the owner may go to the grain handler and tell him: "I do not want my grain shipped; I want my grain back. I want to use it on my own farm—I want it for my personal needs." Or he may say: "I do not want this grain shipped abroad; I want it kept on this side. I want to send it to a particular mill, in order that it may be turned into flour." The grain is his property, subject to his control every minute of the time it is in the elevator in which it has been deposited.

It has been argued that the farmer lost this right, but nobody has shown when, how or by what means he lost it. It has not been affected in any way. Between the time the grain is delivered to the warehouse, under the conditions which I have described, and the time it is shipped out, no event or circumstance occurs which can in any way affect his control of or title to the grain.

The right honourable gentleman who moved the amendment (Right Hon. Sir George E.

Foster) quoted three learned members of the legal profession, for whom I have very great respect, but honourable members will have noticed that the right honourable gentleman merely referred to a conclusion. He only repeated the statement made by these gentlemen, that in their opinion the farmer did not have the right to control his grain. We do not know on what that statement is based. No reason has been given for it. One would think that the right honourable gentleman had in mind that we should accept that view as if it were the decree of a court, or as if it were the opinion of independent legal gentlemen. It was not. Those gentlemen were retained by the grain handlers and they were acting merely as counsel on their behalf in expressing that view.

We had, on the other hand, the very opposite view expressed by counsel who are probably just as learned and have just as high a reputation. We can take neither one nor the other. We must exercise our own judgment in the matter. Our function in this case, it seems to me, partakes more of a judicial character than most measures which this House has from time to time to consider and decide. We are judges in this instance, and we have to judge according to the rights of the parties as we understand them.

We have no right to do what the right honourable gentleman wants us to do, that is to make a bargain between these people. That is what his amendment amounts to. The grain handlers assume—why, I do not know—that by the agreement they have made with the producers they have acquired the right to control the grain. As I say, there is nothing to support that assumption, and it is because of it that the whole of this trouble has arisen. If in dealing with the farmers they had provided that they should have control of the grain and might direct it to any elevator of their own choice, I could understand their position; but they have not done that, and it is because the farmers now refuse to allow them to exercise control, and because the farmers and the grain handlers have not been able to come to terms, that this amendment is proposed. In other words, if we accepted the amendment we should be making a bargain between persons who cannot agree, and we should at the same time be jeopardising the right of one of these parties, putting him under a very serious handicap in dealing with the other party. We have no right to do that. We must decide on this Bill in accordance with the rights of the parties. We cannot afford to intervene in favour of the one as against the other, as we should be doing if this amendment were carried.

I have only one word to add, and it is this. The right honourable gentlemen spoke of moral duty, or some sort of moral justice which the Senate must consider. I do not think that that argument has any serious foundation whatever, because the record shows that the grain handlers have made enormous profits in the past. The honourable gentleman who leads the House (Hon. Mr. Dandurand) gave an idea of what these profits were. Surely that fact would remove any occasion or necessity for considering this question in the light of moral justice or upon grounds of equity.

I am strongly against the proposed amendment, because, as I say, it would take away from the farmer a right which is his—a right which is inherent to his right of property—a right which I think is just as strong and unquestionable as his right to the ownership of the grain; we should be putting his rival in a position to exercise a right which is purely and exclusively his own.

Hon. J. S. McLENNAN: Honourable gentlemen, I hope it will not be unacceptable to the House for me to create something of a diversion in the course of the discussion on this very important subject. Both in the Committee and here, this discussion has dealt very largely, almost exclusively, with the legal aspects of this case. Reference has been made to this Act, that Act and the other Act, and we have been told how this amendment, that amendment and the other amendment came about. I would like the House to give some attention to this question in its relation to the many agencies that have built up the whole grain trade of Canada, and to remember how important that grain trade is, not only to the farmer, but to the whole economy of the country, and how extraordinary has been its development.

Within the memory of the youngest member of this House no vessel drawing twenty feet could proceed up the St. Lawrence as far as Montreal. There was no export of grain from the Northwest. What grain was grown there was grown about the little settlements, mostly along the Red River and in isolated places on the prairies. When grain growing was begun people said, yes, the soil was good, but the climate was so bad that the crops would fail at least one year out of four. We have developed the various agencies which finally have put Canada, with only 9 millions of people, into a predominant position in the grain trade of the world. The best wheat in the world, it has been proved

over and over again, through the prizes won in international competitions, has been grown in districts which had been considered unsuitable. If any white man, other than an official of the Hudson's Bay Company, went to any of those districts, he came back and wrote a book, here or in England, about his wonderful feat. What a great development has taken place in forty years! Montreal is now the largest grain port in the world. We have a system which, for celerity and for cheapness in collecting grain and forwarding it for shipment, or utilizing it in other ways, has no rival.

Various agencies have developed this interlocking system which brings a flow of wealth to the Dominion of Canada, and the importance of which has not yet been fully estimated, and will go on increasing and increasing. It is a joint contribution, an interlocking effort. No. one can fail to give the palm to the farmer, and his colleagues, so to speak, who went out on the Prairies and developed them; but credit ought to be given also to the people who built the elevators and the railroads, and to all who contributed in one way or another to the splendid result achieved, in which we are all interested and can all take pride.

Now, with regard to this particular question, certain people built up agencies by which the grain of the farmer could be collected and shipped. I notice that the discussion has all revolved around the farmer, as being the one interested in the grain. The farmer is interested as long as he retains his warehouse receipt, his ticket for the grain; but the carload of grain, with which we are now dealing, may belong to anybody. It may belong to a grain exporting house in New York; it may belong to people in England; and I cannot see how the question of the terminal elevator is of interest to the farmer or the producer as a shipper of grain. I am speaking now of the days before the change, before this question arose as a practical one, and when any elevator at the terminal point was equally advantageous to the farmer. In other words, he could get as good a price for his grain, and could get as good care taken of it, and the same rate of insurance and equally good facilities for shipment at any elevator. But when the farmer became interested in the pool, the situation changed. Being interested in the profits of the pool, he then became interested in having the grain go to the elevator from which such profits might be drawn, rather than to another elevator in the operation of which he had no direct financial interest. Therefore this question has become a live one.

We are all familiar with what happened before the Committee last year. We were assured that the measure now before us would handicap, by legal enactment, one of the two agencies which were competing for the handling of the grain of the Prairie Provinces. On the one hand we have the pioneers in the building of elevators; on the other hand are the people who by coöperation are endeavouring, and apparently with great success—and heaven knows, I and all others in Canada wish them well—to handle the grain for themselves, and thereby reap whatever benefit may be derived from that process, which is subsidiary to the growing of the grain. It seems to me that the Bill in its present form would work an injustice on the pioneers in this trade. In other words, they are somewhat handicapped in their dealings with the grain producers and in their competition with the pool elevators, to which the farmer who is a member of the pool would naturally ship his grain. Therefore I will support the amendment.

My first love in a business way was the grain trade, and I have always been interested in it, but I am not familiar with all the intricacies of the trade as at present constituted. I do not know enough about it, and few people do, I believe, to give a definite opinion. In the position which I am taking I rely upon the Grain Commissioners, who are thoroughly familiar with the business, and who suggested the amendment as a solution to a Minister who obviously felt that there would be some advantage in having this question settled amicably.

Something has been said about the enormous profits of those engaged in the grain trade. I know that the trade has not changed in this respect since I knew it personally. It is a trade which is peculiarly hazardous on account of the great fluctuations which take place from time to time—sometimes very rapidly—in the general price of wheat, and I am inclined to suspect that the profits of the gentleman who was referred to this morning by the honourable Leader of the House were closely related to an increase in the value of his wheat. I have known of such cases. For example, years ago, when the grain trade of Montreal was trifling as compared with to-day, one exporter whose stock of grain at the time was no greater than he usually carried, found that it had increased in value about $1,000,000 within a couple of months.

I believe that not only in the grain trade, but in many other lines, pools and co-operation are economically advantageous to the primary producer, on whom the burden of overhead rests heavily because his property passes

through various hands, all of which must get something from it. But anyone who has studied this question in a sympathetic way is forced to try to find some explanation as to why co-operation has succeeded so imperfectly on the continent of North America, why it has been so successful in Europe and in Great Britain, and why the ratios of expense do not correspond more closely. The best reason I have been able to find for that situation is the fact that the great co-operative institutions of Europe and Great Britain have grown up very slowly and the American co-operative efforts have grown very rapidly. Take for example the Rochdale Society, and similar groups of co-operative institutions, which were so solid financially that during the war they were able to subscribe millions of pounds to war loans. They started with the distribution of a chest of tea, and the slicing up of a few sides of bacon, which they divided among their members, and they went on until they owned ships and mills and were enormously wealthy.

I think the pools have started off with great initial success and I believe it will be a basis of permanent success if their management is sound and not over enthusiastic. But I think that in the long run it may be better for them and for their ultimate development, as well as to the ultimate interest of the farmer of the North West in getting the maximum possible return for his product, that they should grow up in fair competition with other agencies.

Hon. W. B. WILLOUGHBY: Honourable gentlemen, I desire to say a very few words on this question. When it came up in this House first, I referred to the fact that last year I had introduced the Campbell Bill, as it was called, and that at that time I had to the best of my ability gone into the whole question. Since that time this has become a Government measure.

I am sympathetic, as you know, towards the passing of the measure, and will do what I can to effect its passage, but I do not feel called upon to be its particular protagonist. Unfortunately, those of us who are members of the Divorce Committee were engaged all day yesterday and all this forenoon in that Committee, and therefore had not the pleasure of hearing the address of the honourable Leader of the House (Hon. Mr. Dandurand) and the early part of the address of the right honourable the junior member for Ottawa (Right Hon. Sir George E. Foster).

I am going to discuss this matter in the briefest fashion. I shall assume that the honourable Leader of the House has laid the matter before you to-day with his usual adequacy and force of reasoning, and I hope that in my short statement I may not be unnecessarily repeating what he has already said.

There has been in this House, a departure, not an unknown, but a novel departure. Members on this side of the House who favoured the Bill, as well as the honourable Leader of the Government, did not see any object in sending it to the Committee on Banking and Commerce, for the reason that there was nothing to indicate that anything new would be forthcoming there. During the course of the debate, however, it was suggested by some honourable gentleman that something startling in the way of new evidence would be placed before the Committee. That proved to be a barren hope. There was nothing new adduced before that Committee, except a recommendation or suggestion made by the Board of Grain Commissioners, with which I shall deal in a moment. It has been the almost uniform practice of this House, so far as I know it, when matters of this character, upon which evidence can be taken, have been referred to the Standing Committee on Banking and Commerce, to accept the finding of that body when it makes its report. After their hearing of evidence last year, and again this year to a more limited extent, have we not sufficient confidence in the Committee to accept their finding on a more or less technical matter?

What did we have before that Committee? When we reached it we found it was simply a recommendation of the Board of Grain Commissioners. The honourable member for Kings (Hon. Mr. Hughes) got to what I referred to in the Committee as the crux of the matter when he asked Mr. Snow of the Board of Grain Commissioners, if the Turgeon Bill was not the child of the Grain Commission. The answer was in the affirmative. Mr. Snow was equally explicit in stating, in answer to a question of mine, that the Turgeon Bill, which was all that this Bill is, represented the views and opinions of the Grain Commissioners at that time. Now, I ask, what has induced them to change their views? Is it the inordinate pressure—I will not say improper pressure—of the grain interests at Winnipeg? Those interests, as is their right, have taken more than one man who worked for the Grain Commission. They took Mr. Magill, who has written a memorandum for this House, which I have before me, but which I have not completely read; they also took Mr. Jones, one of the most competent members of the Grain Commission. They can pay salaries that the Govern-

ment will not attempt to pay. I will not say that the grain interests have attempted to steal any of the present members of the Board, because that would be making a reflection, but they have taken certain members of the Commission and enrolled them under the banner of the Grain Exchange in Winnipeg. I do not intend to throw stones at the grain dealers at Winnipeg. I am not a member of the pool, and I have never earned a dollar out of it in my life; I come as a detached person to give in an independent way the view of the people of my section of the country.

Hon. Mr. DANDURAND I read this morning the resolution of the Legislature of Saskatchewan in support of this Bill.

Hon. Mr. WILLOUGHBY: I am very happy to hear that. I did not know of that. I had not the pleasure of hearing the honourable gentleman's speech to-day.

What has induced the Grain Commissioners of Canada to change the Bill that Mr. Snow admitted was previously approved by them, and drawn up at their instance? I am not going to suggest any improper motives at all. But these gentlemen live in the Winnipeg atmosphere, and, after all, they are human. In my opinion they should not live in Winnipeg or Fort William; they should live partly, or in any event should be represented in the western district; and they should be friendly to the farmers as well as to the dealers. I have no quarrel with any of these people, but I have a primary interest in the producer. He is the man that produces this wealth.

Now, the grain trade contend that if the Turgeon Act goes into force they are going to be ruined. And why? Let us examine that question for a moment. The Grain Commissioners are the people who, under the Grain Act fixed the charge for the handling of grain at 2½ cents. I remember that last year the pools were willing and I think I should be warranted in saying that they are still willing—that the Board of Grain Commissioners, should raise the price for the handling of grain if it is proved that the present figure is not adequate. Statements to that effect were published in the West at one time, and I believe I can state that to be the case to-day. The Grain Commissioners fixed the present price because they thought it was adequate. If it is not, then it is within their power to increase it. The only answer to that is that the loading platform, forsooth, would take the grain. Honourable gentlemen ought to know that there was a stage in the development when the loading platform was comparatively desirable. The loading platform is the place out on the country siding where the farmer takes his grain when, as a rule, there is no elevator, though we find them sometimes in places where there are elevators. The primary purpose of the loading platform was to shorten the distance and make it more convenient for the farmers to deliver grain, but I do not think that the possibility of the growth of the loading platform is to be contemplated, because of the enormous increase within the last 10 or 15 years in railway facilities. At one time the farmers had to draw their grain for very long distances; railway stations were not as close as they are to-day, and there were not elevators at all the stations; so it became of public service to the farmer to give him a point nearer his home than the town in which the elevator was situated. But conditions have materially changed by the generous system of building branch lines on both C.N.R. and C.P.R., so I do not look for any increase in loading platforms.

Why is not 2½ cents a sufficient amount at the present time? What additional risk is the grain company going to take? The risk of loss of grain in transit from the primary elevator to the terminal. The evidence given by Mr. Snow before us, as well as the finding of the Turgeon Commission, was that the allowance of half a cent was sufficient to protect the grain dealer against loss. I remember that the finding of the Turgeon Commission was that the grain dealers sometimes lost on the grade owing to keen competition between buyers for different elevators, but that they made up by excess in weight more than they had lost in grades. This is a bugaboo. The grain dealers are in no way afraid of losing money, in consequence of the loss of grain in transit, to such an extent that it would affect their reasonable profit. What they do want is the right of handling the grain after it reaches the terminals—their own private terminals or public terminals with which they are in treaty; also the right of mixing.

Before 1912, when mixing came into force, there would not be so much in it, but to-day the lucrative end of the business is the handling of the grain after it reaches its terminal, and the promoting of grades, putting No. 2 with No. 1, and so on down the line. That is what they want—to mix these grades. The Pool want an equal right to mix their grades; they are absolutely alive to the situation which affects them as well as the grain companies; so they want to mix their own grain. Surely there can be no objection to

that, for as a co-operative company they should get every cent they can out of their own grain, and it is in mixing that the enormous profits are made.

I say there is a reasonable profit to-day to the grain handlers in the tariff fixed by the Grain Commission. If it is not sufficient, it can be raised by the gentlemen who have made these recommendations for a certain compromise on the part of the farmers in the interest of the grain dealers in Winnipeg and elsewhere.

This Bill was passed by the Commons Agricultural Committee last year by a very large majority, I believe. It passed without a division in the other House. I remember Mr. Kennedy, of South Central Winnipeg, speaking against it, for I watched it that year; and Mr. Rogers, of Winnipeg, also spoke against it. I do not know whether their speaking against it has anything to do with the fact that neither gentlemen are in the House at the present time. I venture to say that on no platform in the prairie Provinces, or perhaps even in Winnipeg, of which I cannot speak positively, has a candidate of any party taken any other attitude than that of supporting the Campbell Bill. If anyone challenges that statement I want him to bring proof of it. They did not discuss it. You do not discuss the virtue of your wife. The Campbell Bill, or what it stood for, was so much taken for granted as giving fair play to the farmer that I believe no public man in the prairie Provinces during the last election ventured to oppose it; therefore it passed the House last year, and passed the House of Commons again this year without a vote. Surely in a House in which the prairie Provinces, while they have, I think, only one representative on the Conservative side, are represented by a large number of Liberal-Progressives and members of the U. F. A. of Alberta—surely there would have been someone to challenge the Government Bill if it were not in the right direction. Yet it slipped through without any objection whatever. The only inference to be drawn from that is that there was no reasonable objection to it on their part, and that it corresponded with their view.

Speaking of the general principle, while in this House I shall always be very reluctant to favour any action which would seriously modify—in this case it would nullify—Government legislation after it has passed twice in the other House, and after it has been referred to the people of this country. I do not say that under certain circumstances I might not be disposed to depart from that position, but I think it is a good working rule to follow in this House, in the case of a Bill which does not represent absolute spoliation of rights, or an absolute injustice that is patent to everybody, and which comes to us after a general election, and after two unanimous decisions of another Chamber that we should not venture to reverse it.

I appeal to our Eastern friends to be a bit generous to us in the West. The position of the farmer there has been better in the last two or three years; the morale of the farmer has been enormously improved, and I believe that the institution of these pools has done more than any one single factor to encourage the feeling of the farmer that he is going to be the master of his own fate, that he is going to handle his own great staple commodity in a way that suits himself. The pool may or may not be the wisest system, but I believe that some form of pooling and some form of co-operation of that kind is the best way to handle a primary product like wheat. I trust that the honourable gentlemen of the East will feel that we of the West are to be considered in these matters. I believe that all the people of Canada are ready to consider the grievances of the Maritime Provinces, and provide in a generous way for them, as has been done in this House and in Parliament. I ask honourable members from the East not to make this a grievance in the West.

The Dominion Parliament has passed infinitely more drastic legislation than the provisions of this Bill, and the present Government has placed on the statute book a Bill which would have been much more drastic than this, so far as the grain operators are concerned. So it is nothing new. We follow that legislation now by the most workable provisions that could be enacted, doing the least injustice to anybody.

I know the eloquence of the honourable leader of the Government, whom we all feel a bit timorous of tackling, and I presume that everything in favour of the Bill has been put forward. I do not know that I am contributing anything new to the discussion. Had I been able to hear the whole of his presentation, and had I been disengaged in the last day or two, I might have dealt with some phases of this question that may not have been dealt with by anyone else.

In conclusion I venture to point out to honourable gentlemen in this House, and particularly those on my side of the House, who voted to let this Bill go before our Banking and Commerce Committee, that we now have the finding of that Committee. It

is true that it is not a large majority, but it is a majority of more than one; on the real vote it was 14 to 12. I ask honourable gentlemen to repose confidence in the action of that Committee, and support this Bill.

Hon. J. A. CALDER: Honourable gentlemen, I trust that I shall be able to make my remarks brief, because I am sure that practically every member of this House wishes to dispose of this measure as soon as possible. My first words must be words of apology to the Banking and Commerce Committee and to the House. The honourable leader of the Government referred to the fact that we had in Committee a vote that stood 14 to 13, but that it should have stood 14 to 12. When he made that statement I saw him glance towards me—

Hon. Mr. DANDURAND: No, no.

Hon. Mr. CALDER: —as much as to say: "The criminal sits there." I admit the fact, and I wish to state briefly to the House the reason why it occurred. Last year I was appointed a member of the Banking and Commerce Committee, and I took part at most of its sessions. I was absent during the early part of the present Session of the House, and did not come here till early in March. Shortly after I came I had occasion to speak to my leader on several subjects, and he asked me to take interest in certain Bills that were coming before that Committee, and I assumed that I was on the Committee again. It was not until I had been at a good many meetings of the Committee, and after the vote had been taken, that I was aware that I was not on the Committee at all. I have a complaint to make that other gentlemen who were on the Committee and knew its members allowed me to sit from day to day and take part in the vote. Of course I am to blame for not having looked at the record and ascertained for myself that I was not a member.

Hon. Mr. DANDURAND: I am quite sure that no one doubts the good faith of my honourable friend.

Hon. Mr. CALDER: I am quite sure my honourable friend does not think that I did it intentionally.

In his concluding remarks this morning the honourable leader of the Government expressed surprise that any member from the Province of Saskatchewan should oppose this Bill after reading the resolution of the Saskatchewan Legislature. Well, I am going to oppose it, and I trust I shall be able to make clear my position in opposing this Bill. The mere fact that the Saskatchewan Legislature passed a resolution of that character does not in any sense compel me to take the same view that they did. As long as I sit in this House, when legislation comes before me I shall perform my duties in accordance with my responsibilities as a member of this Chamber, regardless of any resolution of that kind. If we are considering any Bill that in my judgment is unsound in principle I conceive it to be my duty to oppose it, and that is the course I intend to pursue so long as I remain a member of the Senate, and any attempt to bring pressure to bear upon me in regard to Bills of a public character will have no effect at all.

Reference has been made to the meeting of the Banking and Commerce Committee. The honourable leader of the Government expressed pleasure that that meeting was held, merely because he took the view that the evidence given by Mr. Snow with reference to the rights of farmers corroborated his own position. He stated that in his judgment the main purpose of this Bill was to restore to the farmer the right that existed under the law of 1912; that that right was taken away in 1925; and that now by this measure we are giving back that right which was taken away. If I understood the honourable gentleman, he stated this morning that Mr. Snow held that very same view.

Now, I must say that I did not take that view of the evidence submitted by Mr. Snow When that statement was made as a fact this morning, I endeavoured to recall what had actually taken place, and so far as my memory goes the position is that what Mr. Snow stated, or what I think he stated, is that the farmer always had the right to send his grain to a terminal elevator, but not to any particular terminal elevator that he chose.

Hon. Mr. DANDURAND: I think my my honourable friend is in error, because I put the question to Mr. Snow myself, and he stopped to reflect a moment, and then said: "Well, I have always held the opinion, which may not be shared by every country elevator owner, that under the 1912 enactment the farmer had the right to send his grain to any elevator he chose, at any terminal point."

Hon. Mr. WILLOUGHBY: That is what he said.

Hon. Mr. CALDER: Since this morning's session I have taken the opportunity of seeing Mr. Snow, and I have questioned him about it. Mr. Snow at first did not care to express any further opinion at all. It is

very unfortunate that we have not had this evidence taken down, so that we could have before us the exact statements. At any rate, I have seen Mr. Snow, and he has told me—

Hon. Mr. DANDURAND: Is it just that my honourable should say that he cross-examined Mr. Snow otherwise than in the presence of other members of the Committee?

Hon. Mr. CALDER: I daresay the statement should not be used. At any rate, let me say this, that my impression of the evidence given by Mr. Snow was to the effect that the farmer always had the right to send his grain to a terminal elevator, but not to the effect that he had the right to send his grain to a particular terminal elevator.

Hon. Mr. DANDURAND: But that was the very question I put to him. That was precisely the question that we were discussing.

Hon. Mr. CALDER: Yes. The members of the Committee were present and heard the evidence, and they will have to form their own judgment as to the exact evidence given by Mr. Snow.

This Bill has now been before us for two Sessions. I think we all agree that the measure is a very contentious one. There are two interests involved. We have on the one hand many thousands of farmers, who hold a certain contention as to what were their rights. On the other hand we have private individuals who have invested large sums of money in the direction of providing grain handling facilities. These two interests hold diametrically opposite views as to the state of the law, and this Parliament is called upon to judge between these two interests.

I would like to preface my remarks by stating, as has already been stated by my honourable friend here (Hon. Mr. McLennan) and by others, that in dealing with this question I desire it should be clearly understood that I have no opposition at all to the Wheat Pool. I am a firm believer in the principle of co-operation. I would like to see our farmers throughout the length and breadth of this country co-operate in so far as their marketing is concerned. No person will go farther than I will in that direction. I state, further, that the farmer is entitled to get the very last cent he can get for his labour, and that, as far as posible, every person in the position of a middleman should be eliminated in order that the producer may obtain the very last cent he can.

There is no doubt that in the old days, so far as the grain business was concerned, there were great abuses. I need not dwell upon those. I have lived in Western Canada about forty-five years and I think I am thoroughly conversant with the abuses that did exist, and the very hard feeling that prevailed among our farmers in every part of Western Canada. But those days have gone by. There may be certain abuses existing to-day, but years ago Parliament took hold of this problem, passed laws and created a Board to regulate the whole grain trade, and this Board to-day, if there are abuses, have full power to deal with them. If they are unable to deal with them, Parliament can at any time pass the necessary laws to remove any abuses that may still exist. So I say, those old days have gone by and to-day we have an entirely new set of conditions. We must not be carried away by speeches made to the effect that years ago certain things happened. Those are not what we are dealing with at present; we are dealing to-day with a concrete Bill, to provide certain things. We should not be influenced at all by statements in reference to what may have happened many years ago in connection with the grain handling trade.

In order to understand this Bill it is necessary to dwell, not at length, but briefly, on a few facts. I think that these facts must be clearly understood and grasped by every member of this House before we can cast an intelligent vote on this question. I will endeavour to state these facts clearly and fairly, and if any honourable member thinks I am not doing so, I shall welcome any interruption on his part.

In the first place, with the exception of the loading platform and the erection of certain terminal elevator facilities at the head of the Lakes, all the grain handling facilities in Western Canada, until a few years ago, were provided by private capital. They cost somewhere in the neighbourhood of $85,000,000. That is a fact that is not disputed. Those facilities include, in the first place, the country elevators; in the second place, the commission houses, that is, the houses where the organizations exist to handle the business; and they include the terminal elevators at the head of the Lakes.

Now let us examine, just for a moment, the extent to which those facilities have been provided, not by the Government, not by the Pool, but by private capital. The country elevators throughout the Prairie Provinces number about 4,000. Of that number 3,000 to-day belong to what is ordinarily called the grain trade. Those elevators have a capacity running, we will say, from 25,000 to 50,000 bushels, and they cost on an average from $8,000 to $12,000. The private interests, be-

fore the Pools came into being, constructed and operated at least 3,000 of these country elevators.

The country elevator, as I have stated, is only the first link in the chain of these facilities. The grain must be got to the market. It has to be weighed, graded, insured, taken to the terminal elevator; and that requires the creation of an organization, which is situated in the city of Winnipeg. It has one of the largest buildings, I suppose, in Canada, erected at a very high cost, and in that building are employed about 5,000 people. That is the organization necessary to handle the business that is conducted for the investors of $85,000,000 of capital.

At the head of the Lakes there are, we find, terminal elevators with a capacity of 62,000,000 bushels, and of that 62,000,000 bushels capacity there are 44,000,000 bushels that still belong to private interests, and about 18,000,000 that belong to the Pool.

In other words, private interests to-day own and operate three-quarters of all the country elevators, and they own and operate two-thirds of all the terminal elevator space at the head of the Lakes. As I see it, the situation was, briefly, this. Before the farmers created their Pool the laws of Canada were such as to invite private capital to undertake the provision of all these facilities. The Government would not do it; the farmers themselves would not do it; the railway companies would not do it, except with respect to certain terminals. The result was that under the laws of Canada, private capital was invited and induced to go into that field and make those expenditures to provide facilities for the farmers. If that had not been done, what would have been the result? We know what would have happened. Those facilities simply had to be provided, and, as I have stated, the only persons who could be induced to undertake the work were private individuals, in this country and outside this country. In any event there stands out the fact that under our laws, whatever they were —and I will shortly deal with the legal point involved—under our laws, whatever they were, we allowed private capital to go into the three Prairie Provinces and make an expenditure of $85,000,000 in order to provide the necessary facilities for handling grain. I say again, that is a fact, and it is not disputed.

Hon. Mr. GILLIS: Will the honourable gentleman allow me to ask him a question? It is generally conceded that prior to 1925 there were no restrictions in the matter of allowing farmers to designate where their grain should go. The investment to which the honourable gentleman refers was made, practically 85 or 90 per cent of it, during that period when there were no restrictions. The investors knew exactly the condition that confronted them when they made that investment.

Hon. Mr. CALDER: Naturally I intend to deal with that phase of the problem. If I fail to do so, a little later, I hope my honourable friend will call my attention to it. I have it in my notes, and will deal with it in due course.

Now let us see for a moment what provision was made for the remuneration to which the trade was entitled in return for the investments made. It was not expected that they would make these investments for nothing. There must have been in the law some provision whereby they would receive profit on their investments. Let us see what was the provision of the law with regard to the remuneration to which the investors of $85,000,000 were entitled. In this connection I intend omitting all questions of grades, weights, dockage and so on, because I consider such matters only incidental to the main point at issue.

In the first place, in so far as the country elevator is concerned, the amount allowed is 1¾ cents a bushel. The commission house, for handling the grain, selling the grain, and so on, is allowed under the law one cent per bushel. At the head of the Lakes, for providing terminal facilities and everything of that character, the amount allowed is 1¼ cents per bushel. There are a great many little details in connection with this, but I do not intend entering into them, because it would take a long time and would serve no useful purpose. Let us understand those three points clearly. For the service it provides the country elevator gets 1¾ cents per bushel.

Hon. Mr. McLENNAN: Does that include storage for any time?

Hon. Mr. CALDER: The grain is stored for a certain length of time. It must be stored, I think, fifteen days free.

Hon. Mr. McLENNAN: There is a period of fifteen days' storage included in that?

Hon. Mr. CALDER: Yes. So the country elevator gets 1¾ cents. For selling the grain the trade get one cent a bushel; and for storing the grain at the Lake head, in the terminals, they get 1¼ cents per bushel.

I say that the great bulk of the wheat in Western Canada had been handled on that basis, and those are the charges that are made

—the amounts that are allowed. So far as I know, the only complaint made about those allowances is in connection with what is paid to the country elevator operator. That was dealt with by the Turgeon Royal Commission, and I will read a brief statement of what they find. This is from page 13 of the report:

> The evidence shows that according to the tariff of charges now in force the elevator—

That is, the country elevator—

> —is compelled to render certain services at less than actual cost. For instance, the Managing-Director of the Saskatchewan Co-operative Elevator Company told us at Regina that in his opinion the handling charge of 1¾ cents per bushel, allowed the country elevator on stored grain is inadequate, the service rendered under this head entailing a cost of from 2½ cents to 4 cents per bushel. His evidence is corroborated on all sides, and there seems to be no doubt that the present maximum charge fixed by the tariff is inadequate.

My honourable friend from Moose Jaw (Hon. Mr. Willoughby) comes back with the statement: "Well, if the charge is inadequate, why not increase it?" He has pooh-poohed the idea that if it were increased the grain would be driven to the loading platforms, and he has intimated that, so far as he knows, the loading platform exists only or mostly at places where there are merely sidings and no elevators. I am inclined to think that he is not quite correct in his facts. So far as my knowledge goes, I doubt if there is in Western Canada a single point of any consequence where there is not a loading platform.

Hon. Mr. WILLOUGHBY: Are they used?

Hon. Mr. CALDER: That is not the point.

Hon. Mr. WILLOUGHBY: That is surely the real point.

Hon. Mr. CALDER: My honourable friend endeavoured to lead us to believe that the loading platform was not placed generally throughout the country. You can go to towns like Qu'Appelle, Indian Head, Saskatoon—in fact every town that has the loading platform, and you will find that if the loading platform is not used to-day it is because the elevator charges have been placed at the present figure. Once you raise that to 3, 4, 5 or 6 cents a bushel, the farmer is not going to pay it; he will take his grain to the loading platform and will load his own car and send it down to the head of the Lakes, and save his 3, 4, or 5 cents a bushel. So when my honourable friend says that it will be a very easy matter to change this tariff—when he says, "If the country elevator is losing, for goodness sake let it raise the tariff," I answer that just so soon as you attempt to raise that tariff you drive the farmer back to the loading platform and millions of bushels will go over the loading platforms in Western Canada.

Coming to the Bill itself, we find that it is founded on the assumption that under the Act of 1912 the farmers had, and always exercised, the right of selecting the particular terminal elevators to which their grain should be sent. The honourable leader of the House has said that that is the crux of the whole question. He has intimated time and again that this Bill would not be here at all if that were not true, because there would be no necessity for it; that the definite purpose of this Bill is to restore to the farmer a right that he was assumed to have under the 1912 law, and that was taken away from him by the amendments of 1925. On the other hand, those who have invested their money in these facilities— these 3,000 country elevators and 44,000,000 bushels of terminal space at the head of the Lakes—they contend that the farmer never had that right, and they have always held that view. They contend that they made their investment on the understanding that the farmer had the right only to designate the terminal point to which he should send his grain; that never in the history of the grain trade in Western Canada did he have the right to designate the particular elevator to which his grain should be sent.

The argument on behalf of the trade was submitted to us last year by Mr. Pitblado, and it again comes to us in printed form. It is very definite, very clear, and very visible. Everybody can see it and judge for himself whether or not it is a proper one. The argument concludes with a very definite statement. It was read this morning by one of the members for Ottawa (Right Hon. Sir George E. Foster):

> It is therefore submitted that the producer did not under the Act of 1912 have the legal right to select the particular terminal elevator to which he wished his grain consigned.

My honourable friend from Moose Jaw (Hon. Mr. Willoughby) and the honourable gentleman from Ottawa (Hon. Mr. Belcourt) take the opposite view. I understand that Mr. Pitblado, during the course of the last few days, because of the opposition to his view, saw fit to consult other eminent lawyers. There happened to be in the city at the time Mr. Tilley and Mr. Lafleur. We all know who they are. It is true, as the honourable gentleman from Ottawa has said, that these gentlemen were retained to give an opinion; nevertheless men of their standing

are careful about expressing opinions. I think the honourable gentleman will agree with me that you will not get an eminent lawyer to state in black and white, over his signature, that he holds a certain view on a legal point, unless he really holds that view.

Hon. Mr. BELCOURT: Would my honourable friend permit me to ask him if that is not something which we see every day? We see most eminent counsel appearing on both sides of every question that comes before the courts.

Hon. Mr. CALDER: I quite agree with that; nevertheless we have the fact that Mr. Pitblado does not stand alone in his view. He has associated with him two men who are pre-eminent at the bar of Canada, and they have joined with him in expressing the opinion that under the law of 1912 the farmer did not have the right to route his grain to any particular elevator he chose.

Hon. Mr. BELCOURT: Would my honourable friend tell us upon what that proposition is predicated. What is the basis of it?

Hon. Mr. CALDER: Has the honourable gentleman read Mr. Pitblado's argument?

Hon. Mr. BELCOURT: Yes.

Hon. Mr. CALDER: Has he read the law of 1912?

Hon. Mr. BELCOURT: Yes.

Hon. Mr. CALDER: Has he considered all the sections in relation to one another?

Hon. Mr. BELCOURT: Yes.

Hon. Mr. CALDER: The argument is based upon a construction of the whole law. That is all set forth in Mr. Pitblado's argument. This argument was placed before those legal gentlemen, they considered it from that standpoint, and they have come to the conclusion that Mr. Pitblado's view is correct. We may give that whatever weight we choose.

Hon. Mr. BELCOURT: I ask my honourable friend if he can point to anything in the law which deprives the owner of his right of control. Leaving aside Mr. Lafleur and Mr. Tilley, can my honourable friend point to something definite upon which that opinion rests?

Hon. Mr. CALDER: All I need to state is this. I hold the view that the law never gave the farmer that right; that he never had the right. There was nothing to give away. The farmer's rights are explained in the statute, and you have to read all of the statute. There are half a dozen or more sections that have to be construed together. The honourable gentleman has assumed that the farmer always had that right, but here we have a statute governing the whole matter, and we must ascertain from that what were the rights of the farmers, and what the rights of the companies. My honourable friend is entitled to the view he holds, that the farmer always had the right of full control over the grain at any stage but I hold the opposite view. Under the law of 1912 the farmer was limited in his rights; he never had that right; and consequently there was never anything to take away from him in that respect. We are entitled to differ on a point of that kind.

At any rate, we have before us the situation that there are two sets of opinions, and, as the honourable member for Ottawa (Hon. Mr. Belcourt) has quite properly said, we are called upon to judge between them. One side holds one view and the other side holds the other view. But in the meantime there is this very large investment and if there is any chance that the position taken by Mr. Pitblado and Mr. Lafleur and Mr. Tilley is correct, what are we to do? If we decide against their opinion, what is going to happen? Shall we not be doing a very grave injustice?

I rather like the suggestion put forward by the honourable gentleman from De Salaberry (Hon. Mr. Beique) last year, that probably the fairest thing to do as a matter of fact, would be to send this Bill to the courts and let them adjudicate upon it.

Hon. Mr. BELCOURT: Or let the parties go to the courts themselves.

Hon. Mr. CALDER: Or let the parties go themselves. That would be the fair method, I think. But we are called upon to sit as judges in this difficult situation. What are we to do? There are the two sides to this very important question, with all kinds of important results flowing from our decision. Should we not hold our hand and endeavour to find some other means of solving this question?

What will be the effect of this legislation if it passes? Take the 3,000 country elevators in the West. What is to become of them? If the Bill goes through, the pools will eventually start a campaign, not only among the pool farmers, but among all the farmers of Western Canada who are using those 3,000 elevators, to route their grain to the pool terminal. There is no question about that at all. Just as soon as this Bill becomes law the pool management will circularize and get in touch with all the farmers of Western Canada and

will say: "Now you have the power to route your grain where you like. It does not make any difference whether you are a member of the pool or not, or whether you use a pool elevator or not, you have a right to send your grain to our terminal elevator at the head of the Lakes, and we want you to do so."

What will be the result? At the present time according to the evidence, those 3,000 country elevators are not earning one dollar; they are being run at a loss. According to Mr. Justice Turgeon's own report, private capital has been compelled in the past, by reason of the conditions prevailing, to provide those 3,000 country elevators. The country could not get along without them; the Government would not build them; the farmers would not build them, and the railways would not build them. Private capital was compelled to come in and build them, and to-day a set of conditions exists under which every one of those 3,000 country elevators is being run at a loss.

But that is not all. A group of farmers out in that community decide that they will route their grain to the head of the Lakes through a company elevator. What is to be the result of that? One of the main sources of revenue of the grain trade is the commission derived from the handling of grain after it goes into their elevators and is sent forward for delivery. They usually have the selling of the grain that comes into their elevators, and under the law of the land they are entitled to 1 cent a bushel for that service. No one has complained of that at all. It has always been considered a reasonable charge. But I say that just as soon as this Bill goes through the trade will lose thousands upon thousands of dollars by reason of the fact that their commission business will be taken away from them. They will lose the grain that goes to the pool terminal; they will lose also on their country elevators; and, further, they will lose enormously on their commission business.

Hon. Mr. DANDURAND: How will they lose on the country elevators?

Hon. Mr. CALDER: Because the country elevators do not pay. The Turgeon Report states that the charge of 1¾ cents a bushel does not pay overhead.

Hon. Mr. DANDURAND: They will continue to receive the grain, even of the pool people.

Hon. Mr. CALDER: Ah, but I am pointing out that they will lose also on the commissions.

Hon. Mr. WILLOUGHBY: They could have increased that rate to 2½ cents if they had wished.

Hon. Mr. CALDER: The evidence of the Saskatchewan Co-operative manager was that the rate should probably be increased to 4 cents, not 2½ cents.

Now we come to the other point. It is generally recognized that the profitable end of the grain handling business in Western Canada is at the terminals. The trade make their money in commissions. They make their money at the terminals, and they lose on the country elevators. Now, under this law you are going to compel them, I say, to continue to sustain that loss on their country elevators. The pool did not propose to take them over. There was a suggestion made last year at the Committee meeting that some arrangement might be made whereby they would take over at least part of the country elevators, but it was not accepted, and the result of the passing of this law will be to leave in the hands of private investors 3,000 country elevators that will not pay one single dollar on the investment. We are going to create a condition whereby the grain trade will lose thousands upon thousands of dollars in commissions which they would have under the old law, and will be left with their terminals. What is going to happen the terminals?

Hon. Mr. WILLOUGHBY: Sixty per cent of the farmers, I believe, belong to the pool. That leaves 40 per cent who do not. Are the 40 per cent, who are individualists, many of whom do not believe in the pool system, going to be deprived of the right to send to the company elevators the grain they produce?

Hon. Mr. CALDER: But, as I say, a campaign of propaganda is going to be carried on with the object of inducing the farmers all through that country to use the pool terminals, regardless of whether they use the country elevators belonging to the private trade or not. The definite object in view is going to be to get every farmer in Western Canada to route his grain to the pool terminal elevator.

Hon. Mr. WILLOUGHBY: What is to prevent the companies inducing them?

Hon. Mr. CALDER: They may if they choose.

Hon. Mr. WILLOUGHBY: They have an equal field in that respect.

Hon. Mr. CALDER: I quite agree with that. But what is the situation so far as

the terminals are concerned? The private interests at the head of the Lakes own 44,000,000 bushels of space, and the pool terminals have a capacity of somewhere in the neighbourhood of 18,000,000 bushels. As I said, that is the profitable end of the business. I do not blame the pool in the slightest degree for wanting to get every bit of that business they can, but what I object to is the fact that we are asked to give them by law a club that will eventually destroy an investment of $85,000,000. It will not happen to-day, it will not happen to-morrow, but it is certain to come in the comparatively near future. If you destroy the earning power of that large investment at the head of the Lakes, and if you destroy their revenue in so far as commissions are concerned, and leave upon their hands 3,000 country elevators with which they cannot earn a dollar, it is very easy to see what is going to happen.

Is it fair? Is it reasonable? We must not be carried away by the argument that this applies to men who invested their money many years ago. Only yesterday I met on the streets of Ottawa a man who within the last three or four years invested $6,000 in the Alberta Pacific Company. He asked me, "What is going to happen to my investment?" I inquired, "Are there many like you here?" and he said, "Quite a number." That condition exists throughout the country. Hundreds of our people have invested their money in institutions of that kind. While it may be quite true that many years ago men made money, the stock may have changed hands many times since. Then, with the result that to-day innocent people are holding stock of that character, and I say that if we pass this law we shall be putting their investment in jeopardy.

Hon. Mr. BELCOURT: In what way is that condition different from the condition which prevails throughout the world, with its keen business rivalry and competition? If these gentlemen did not take the precaution, which they might have taken, of securing to themselves the control of this grain, and they lose by it, it is their own fault. That is a risk that every man in business has to take.

Hon. Mr. CALDER: I agree with my honourable friend in that. But I say, for goodness' sake let us keep our hands off. Let us restore the law; let us make it what it was; let them have their rights, whatever they were. But we are asked to step in and say to these people who invested money under what they thought were certain conditions: "You are very much mistaken. You made a bad investment. The law is thus and so." In other words, Parliament is asked to tell them that they are mistaken and that they never had the rights which they assumed they had. It is all very well to let rival interests fight it out, but that is not what we are doing. We are proposing that Parliament should step in and say that this right, which is in dispute, always belonged to the farmer, whereas, on the other hand, we know that the people who invested their money hold the opposite view, and have always held it.

Hon. Mr. PROWSE: I would like to ask my honourable friend a question. When those men put their money into this investment did they do it absolutely in the interest of the farmers?

Hon. Mr. CALDER: No.

Hon. Mr. PROWSE: I am sure they did not.

Hon. Mr. CALDER: No.

Hon. Mr. PROWSE: There is no question about it. They took their chances. If they invested it in the interest of the farmer it would be perfectly all right. This Bill does not call or ask for anything only that they are not to take any advantage of the farmer, who, under this Bill has all the rights that are due to him.

Hon. Mr. CALDER: I quite agree with the honourable member for Ottawa that when there is a contest of this kind we should let it go on and let the stronger win out. I intend to vote for the amendment made by the right honourable junior member for Ottawa (Right Hon. Sir George E. Foster), and I shall do that for the reason he stated. The Grain Commissioners are a very important body. Everybody realizes that the situation last Session was a very difficult one. Those men were asked by their ministers if they could find a solution of the problem and we have their findings before us.

Hon. Mr. ROBERTSON: Would my honourable friend be good enough to explain to the House how this legislation would adversely affect grain companies if they purchased grain from farmers who were willing to ship through terminal elevators to the grain companies in open competition with the pool elevators? I am afraid there is an impression in the minds of some honourable gentlemen that the country elevators are at liberty to accept or reject grain, as the case may be. I understand they must accept the

grain, and therefore there will be people who do not use their terminal facilities at the terminal point, but use their country facilities, to the detriment of the owners.

Hon. Mr. CALDER: Quite right.

Hon. W. B. ROSS: Honourable gentlemen, this is a western Bill, and while I have tried to understand it, I have allowed honourable gentlemen who understand these things better than I do to deal with it. I agree with and adopt the arguments of the right honourable the junior member for Ottawa (Right Hon. Sir George E. Foster), and the honourable member for Saltcoats (Hon. Mr. Calder), and I put myself in the hands of the Board of Grain Commissioners, to be guided by them, as knowing more about it than I, or almost any other man.

Hon. J. A. GILLIS: Honourable gentlemen, before the vote is taken I want to say a few words. I have listened with much interest to the argument of the honourable member for Saltcoats (Hon. Mr. Calder), but after all it is only a rehash of what we had last year in this House and in the Committee on the Bill. What is the use of going over this old ground time and again? The issue before us is very clear. In the first place, we have several hundred thousand farmers in Western Canada producing grain; they have succeeded in placing Canada on the map as the greatest wheat exporting country in the world. They are asking for certain inherent rights in connection with their commodity. On the other hand, we have an organization, against which I have nothing to say, the old-line elevators, headed by the Winnipeg Grain Exchange. That organization wants to restrict the rights of farmers. We have to vote on this question and decide which party we are going to support—the men who are developing the resources of Canada and producing grain by the sweat of their brow, or the element that have made their millions out of the farmers of Western Canada. Surely it is our duty to give the farmers of Canada, particularly the grain growers of the West, their inherent rights in dealing with their commodities. There is no use in hair-splitting arguments as to what the Act of 1912 or the Act of 1925 did. What is provided for in this Bill is absolute liberty for the people of Western Canada to market their grain as they see fit: that is the question on which we are to vote.

Hon. Mr. DANDURAND: Honourable gentlemen, I intend to say but a few words: I know we are all impatient to dispose of this matter. My honourable friend from Saltcoats asked, in closing: "Why do we not revert to the old law, that is the law under which that capital was invested?" Well, I claim that we are reverting to the old law. What is the contract between the farmer, the producer, and the country elevator owner? It is found in the receipt and the undertaking of the country elevator owner. What was his undertaking in 1912, and up to 1925? The undertaking was in the receipt, as follows:

> Such receipt shall also state upon its face that the grain mentioned therein has been received into store, and that upon the return of such receipt, and upon payment or tender of payment of all lawful charges for receiving, storing, insuring, delivering or otherwise handling such grain, which may accrue up to the time of the return of the receipt, the grain is deliverable to the person on whose account it has been taken into store, or to his order, from the country elevator where it was received for storage, or, if either party so desires, in quantities not less than carload lots, on track at any terminal elevator—
>
> —not at any terminal point—
>
> —in the Western Inspection Division, on the line of railway upon which the receiving country elevator is situate.

At the moment when Mr. Justice Turgeon started to review the old Act and prepare a draft there was no farmers' grievance; he had the right, if he so desired, to indicate any terminal elevator. On Mr. Turgeon coming to this clause he stopped at the words, "if either party so desires," and he sought to clarify that enactment. He wrote, "if he"—that is, the owner—"so desires," instead of, "if either party so desires." The Government brought the Bill to the House, declaring that Mr. Justice Turgeon was clarifying the Act as to what he understood to be the right of the farmer to route his grain, by amending that doubtful expression, "if either party so desires."

This morning I stressed the point that this meant that a farmer could express his wish, as he was the owner of the grain. When he came into the country elevator he could state under what conditions he was putting his grain there. The words "either party" stood there to cover the case when the farmer might not indicate his wish. Mr. Justice Turgeon so understood them, and he clarified the Act in favour of the farmer by indicating that if he so desired he could indicate what should be the terminal elevator.

Now, this is a contract, and I draw the attention of my honourable friend from Saltcoats (Hon. Mr. Calder) to the fact that this contract binds the two parties. I care not for the opinions of attorneys as to the gist and purport of the whole Act. I have the contract

between the parties. The House of Commons Committee on Agriculture, at the solicitation of the Grain Exchange, transformed that clarification in favour of the farmer into one in favour of the elevator owner, and that is what is in the Act of 1925:

Or in quantities not less than carload lots on track at a public terminal elevator at such terminal point in the Western Inspection Division as the owner may specify.

Mr. Justice Turgeon transformed the right of the farmer to ship to a terminal elevator into a right to specify the terminal point.

Hon. Mr. BELCOURT: He did not transform it; he defined it.

Hon. Mr. DANDURAND: The Committee of Agriculture in the House defined it so that we are now returned to the Act of 1912. I mention it at this point because it is claimed that injustice is being done to the Grain Exchange and owners of elevators throughout the west and at terminal points.

It has been said that owners of elevators have been losing money on the prairies. Perhaps at times they lost money on the storage of grain alone, but people who have something to do with the trade know that the elevator owners were traders and were purchasing grain which they were sending over to their terminal elevators, and making money on their turnover, on the purchase and re-sale, besides having the advantage of transforming or mixing or grading up that grain in their elevator.

Now, what does this amendment aim to do? It allows the farmer the right to indicate the terminal elevator, but his responsibility stops there. It leaves the grading to the country elevator. It leaves the responsibility for the weight on the farmer. In what position would you put the farmer of the West if this amendment passed? Here are tens of thousands of farmers going to a country elevator which has a terminal elevator, and asking the owner of that rural elevator to take their grain and then send it over to an elevator which is not that of his company. We are told that the farmer will have to be satisfied with the grade that is guaranteed, but he will be responsible for the weight. From the evidence that we have heard I am convinced that those rural elevator owners would not be so zealous to serve those farmers who are confiding their grain to them as they would be if they had the advantage of the turn-over at the terminal point. The farmers that wanted to take advantage of the terminal elevators belonging to the pool would be left at the mercy of those country elevators. The farmers are giving their grain practically to their rival—I will not say their enemy—but their rival, hitherto the king of the prairies, who handled all the grain, was paid for the risk in transit, and shipped it down to the terminal at Port Arthur or Fort William. Now those farmers come and say: "No; you have benefited too much in the past by the fact that you had a monopoly and transformed our grain by mixing at the terminal. You have made too much profit, which we have had to lose. We now ask you to send our grain to our own elevator at Fort William or Port Arthur."

The proposed amendment which is before us leaves upon the country elevator the responsibility for the grade. Why not leave upon it also the responsibility as to the weight? The country elevator is paid all the costs incidental to the carriage of the grain down to Fort William, and a fraction of a cent is allowed for shrinkage in weight. The elevator owners will send 45 or 50 per cent of the grain to increase their profits at the terminal point, and they will treat in the same manner the grain that comes from any farmer who asks them to send it to their terminal elevator.

With these few remarks, I intend to vote against the amendment.

The amendment of Right Hon. Sir George E. Foster was negatived.

The motion for the third reading was agreed to, and the Bill was read the third time and passed.

WINDING UP BILL

THIRD READING

Bill 51, an Act to amend the Winding Up Act.—Hon. Mr. Dandurand.

TRUST COMPANIES BILL

THIRD READING

Bill 52, an Act to amend the Trust Companies Act, 1914.—Hon. Mr. Dandurand.

LOAN COMPANIES BILL

THIRD READING

Bill 49, an Act to amend the Loan Companies Act, 1914.—Hon. Mr. Dandurand.

TRANSLATION OF SENATE DEBATES

CONSIDERATION OF REPORT OF COMMITTEE POSTPONED

On the Order:

Consideration of the third report of the Standing Committee on Debates and Reporting. —Hon. Mr. Poirier.

Hon. Mr. ROBERTSON: Honourable gentlemen, in the absence of the honourable

gentleman from Acadia (Hon. Mr. Poirier), perhaps some honourable member would first move the adoption of the report. I wanted to make a suggestion, that is all.

Hon. W. B. ROSS: I will move the adoption of the report.

Hon. Mr. ROBERTSON: Honourable gentlemen, before this report is adopted, I would like to make an observation. The report, I believe, is a recommendation by the Committee that the reportorial staff be increased by one. I have no knowledge of any requests having been made—

The Hon. the SPEAKER: Will the honourable gentleman excuse me? Is he not referring to the next Order? This first one refers to the question of translators.

Hon. Mr. DANIEL: The third report is to the following effect:

The Standing Committee on Debates and Reporting beg leave to make their third Report, as follows:—

Your Committee find that the present arrangement for the translation and publication of the French version of the Senate Debates is not satisfactory, and beg to recommend to the consideration of the Senate that the previous arrangement of employing two debates translators be restored.

That is the report that is before the Senate.

Hon. Mr. ROBERTSON: Honourable gentlemen, what I desired to bring to the attention of the House is this. Is it quite in order to adopt this report without any reference to Standing Committee on Internal Economy? If it involves an increase in expenditure it ought, I think, to be made the subject of a reference to that Committee.

Hon. Mr. DANIEL: Yes.

Hon. Mr. ROBERTSON: And I desire to suggest that that be done. I think there is time to do it before Wednesday next.

The Hon. the SPEAKER: Does the honourable gentleman from Middleton (Hon. Mr. Ross) wish to withdraw his motion?

Hon. Mr. ROSS: I think I had better. With the consent of the seconder, I will withdraw my motion.

The Hon. the SPEAKER: Nobody moves the adoption of the report.

Hon. Mr. DANDURAND: Rather than have the matter discussed in the absence of the Chairman of the Committee, I would suggest that the motion for the adoption of the report be deferred; that the order be discharged and placed on the Orders of the Day for Monday.

The order stands.

SENATE REPORTING STAFF

REPORT OF COMMITTEE CONCURRED IN

On the Order:

Consideration of the fourth report of the Standing Committee on Debates and Reporting. —Hon. Mr. Poirier.

Hon. Mr. DANDURAND: What does that cover?

The Hon. the SPEAKER: That covers the appointment of an additional reporter.

Hon. Mr. BELAND: I was at the meeting of the Committee during which this question was discussed. Honourable gentlemen are aware that at the end of last Session it was suggested by the able Chairman of the Divorce Committee (Hon. Mr. Willoughby) that the Committee should have leave to sit in two sections. That naturally requires more reporters than when there is only one Divorce Committee. At present we have a staff of three reporters in all; I mean, for the reporting of the Debates of this House and the reporting of what takes place in the Committees. With the division of the Divorce Committee into two sections, it is found that a staff of three reporters in all is not sufficient. These matters have been brought to the attention of the Committee on Debates and Reporting, and we have unanimously recommended in our report that a fourth reporter be added to the staff.

Hon. Mr. DANDURAND: If necessary.

Hon. Mr. BELAND: Of course, if necessary.

Hon. Mr. DANIEL: Suppose that the Bill which has been sent down to the House of Commons, inaugurating a Divorce Court for the Province of Ontario, becomes law. Will the necessity for this extra reporter exist then?

Hon. Mr. BELAND: I should think he would hardly be necessary.

Hon. Mr. SHARPE: Has the head of the branch recommended the addition of another reporter?

Hon. Mr. POIRIER: We acted upon the request of the reporters, who stated, what we found to be true, that they were overworked. You know there are only three to report the Debates of the Senate and the proceedings of

Committees. The Divorce Committees themselves, as you are aware, take the time of two or three reporters, and we thought we should give these gentlemen some relief if we could. That is the purport of the recommendation to the House.

Hon. Mr. BELCOURT: There cannot be very much risk in adopting the report, because the recommendation is conditioned upon the appointment being necessary. So for the present we may adopt the report without incurring any liability.

Hon. Mr. TURRIFF: Honourable gentlemen, I think that before we take any action at all on this question it should be referred to some Committee, so that we may ascertain definitely whether another translator is required or not. It is stated here that the reporters have asked for another official, because they are overworked. That may be the case, or it may not, and I think we ought to know. This matter should be referred to some Committee who can take it up and bring in a report, in order that honourable members of the Senate may know definitely what they are talking about.

Hon. Mr. BELAND: If the Divorce Committee is allowed to sit while this House is in session, and two reporters are required for the two sections of that Committee, it occurs to me that we must have two other reporters for this House. If I am correctly informed, the Divorce Committee have sat during the sitting of the Senate.

Hon. Mr. BELCOURT: Honourable gentlemen, I must say I led the House into error. The qualification or condition to which I have just referred, I do not find in the report. The report reads as follows:

> Your committee have had under consideration a report from the Editor of Debates and Chief of the Reporting Branch recommending the employment of an additional Parliamentary Reporter.
>
> In view of the increase in the amount of reporting work in the Senate and in the Committees, your Committee recommend to the favourable consideration of the Senate that the organization of the Senate be enlarged to include an additional reporter (Parliamentary).
>
> All which is respectfully submitted.

So the condition which I said was in the report is not there. I was misinformed. But may I suggest to the Chairman of the Committee that he insert in his report a limitation of that kind? Then we can adopt it.

Hon. Mr. BELAND: "If necessary."

Hon. Mr. BELCOURT: The words, "if and when necessary." If he will add those words to the report, I suggest that we adopt it.

Hon. Mr. POIRIER: I believe that is the meaning of the report. It may not have been couched as clearly as my honourable friend desires, but I think that was the intention of the Committee, and I have no objection at all to inserting those words.

Hon. Mr. ROBERTSON: Is my honourable friend willing to make a similar qualification in his report No. 3, with reference to the employment of another Debates Translator?

Hon. Mr. DANIEL: That matter has been deferred.

Hon. Mr. BELCOURT: Then I move the adoption of the report with the additional words, "if and when necessary."

The Hon. the SPEAKER: I understand that the Chairman (Hon. Mr. Poirier) moves the adoption of the report, and my honourable friend (Hon. Mr. Belcourt) moves in amendment the addition of those words to the report.

Hon. Mr. BELCOURT: Yes.

The amendment of Hon. Mr. Belcourt was agreed to, and the report as amended was concurred in.

VANCOUVER HARBOUR COMMISSIONERS BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 215, an Act to provide for a loan to the Vancouver Harbour Commissioners.

He said: Honourable gentlemen, this is a Bill which allows of the Governor in Council advancing to the Corporation of the Vancouver Harbour Commissioners, in addition to the moneys heretofore authorized to be advanced to the Corporation, a loan of $4,000,000, under the ordinary, standard conditions to be found in the Bill which we have passed for an advance to the Harbour Commission of Montreal.

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

THIRD READING

Hon. Mr. DANDURAND 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

Hon. Mr. DANDURAND moved the second reading of Bill 230, an Act to amend the Special War Revenue Act, 1915.

He said: With regard to this and other Bills on the Order Paper, I will move the second reading, and if there is any objection I will gladly agree to the second reading being postponed.

Hon. W. B. ROSS: That will leave any honourable member a chance to discuss the Bill on Monday, on the third reading.

Hon. Mr. DANDURAND: Yes. I move the second reading of this Bill. It is a Money Bill.

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

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

The motion was agreed, and the Bill was read the third time and passed.

DOMINION ELECTIONS BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 260, an Act to amend the Dominion Elections Act.

He said: Honourable gentlemen will remember that the Dominion Elections Act contained an enactment which was exceptional in form. It created a position and named the person who was to fill it. It said that:

> Oliver Mowat Biggar, of the city of Ottawa, one of His Majesty's Counsel, is hereby appointed Chief Electoral Officer. He shall hold office on the same tenure, be removeable only for cause and in the same manner, and be from time to time paid the same salary and superannuation allowance as a puisne Judge of the Supreme Court of Canada.

Now we are face to face with this situation. That officer has sent in his resignation, and we are providing that the Chief Electoral Officer shall be appointed by resolution of the House of Commons, and shall be paid a salary of $6,000 per annum. Mr. Biggar was paid $12,000.

Hon. Mr. ROBERTSON: When was the present Act passed?

Hon. Mr. DANDURAND: Appointing Mr. Biggar?

Hon. Mr. ROBERTSON: Yes.

Hon. Mr. DANDURAND: In 1920.

Hon. Mr. WILLOUGHBY: Is the new appointee to be a lawyer?

Hon. Mr. DANDURAND: The Bill does not say. It says:

> The successor to the said Oliver Mowat Biggar, as Chief Electoral Officer, shall be the person who has been designated as such during the present session of Parliament, by resolution of the House of Commons, and shall take office on the first day of July; in the meantime subsection five of section nineteen of the Dominion Elections Act, chapter forty-six of the statutes of 1920, shall apply to such person as if he were actually filling the office of Chief Electoral Officer.

Hon. Mr. ROBERTSON: Could my honourable friend tell us the name of that gentleman?

Hon. Mr. DANDURAND: I do not know.

Hon. Mr. BELCOURT: I think his name is Castonguay.

Hon. Mr. ROBERTSON: He is an efficient officer.

Hon. Mr. DANDURAND: You know him?

Hon. Mr. ROBERTSON: Yes.

Hon. Mr. BELCOURT: He has been assistant to Mr. Biggar.

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

CONSIDERED IN COMMITTEE, AND REPORTED

On motion of Hon. Mr. Dandurand, the Senate went into Committee on the Bill.

Hon. Mr. Robinson in the Chair.

Sections 1 to 4, inclusive, were agreed to.

On the title:

Hon. Mr. DANDURAND: I have an amendment to offer as clause 5. It reads as follows:

> Sections 1 and 2 of this Act shall come into force on the 30th day of June, 1927—

That is the date upon which Mr. Biggar will cease to act.

> —and in the meantime the operation of subsection 2 of section 19 of the Dominion Elections Act shall stand suspended.

That is the clause that prohibits him from doing anything outside.

Hon. Mr. ROBERTSON: I suppose we can look forward with confidence to the acceptance of this amendment by the House of Commons?

Hon. Mr. DANDURAND: It is suggested by the Minister.

The amendment was agreed to.

The title was agreed to.

The preamble was agreed to, and the Bill was reported, as amended.

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

CHICOUTIMI HARBOUR COMMISSIONERS BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 272, an Act to provide for a loan to the Chicoutimi Harbour Commissioners.

He said: Honourable gentlemen will remember that last year we incorporated a Harbour Board for the port of Chicoutimi.

Hon. Mr. ROBERTSON: This is the penalty?

Hon. Mr. DANDURAND: The Governor in Council may, from time to time, advance to the Chicoutimi Harbour Commissioners sums of money, not exceeding $500,000, under the standard clauses as found in similar Bills.

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

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

Hon. Mr. DANIEL: Has this harbour been under the care of government or a Harbour Commission for a number of years?

Hon. Mr. DANDURAND: No; the Board was created last year. There is considerable development going on in that neighbourhood.

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

INSURANCE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 50, an Act to amend the Insurance Act, 1917.

He said: Honourable gentlemen, I have the advantage of being a director of an insurance company, which is a privilege, I assure you; but as the right honourable gentleman from Brockville (Right Hon. Mr. Graham) has been, and perhaps still is, the president of an insurance company, I shall leave to him the duty of explaining this Bill.

Right Hon. Mr. GRAHAM: Honourable gentlemen, this Bill looks formidable, but it is not. It is merely to provide for some amendments recommended by the Inspector of Insurance. For example, in the charters of most of the Canadian insurance companies there is no provision for some of the newer forms of insurance, such as the payment of double liability in case of death by accident. One or two companies have such a provision in their charters, and this is to establish uniformity in that respect.

Another very important item is the one providing that insurance companies in making up their annual statements shall include as a liability the amount set aside for reserve. Heretofore, apparently that has not been done. When that amount is added to the liabilities, the statements will show more correctly and thoroughly the standing of the companies.

Another amendment increases from $50,000 to $100,000 the deposit to be paid by British or foreign life or fire insurance companies before they can carry on business in Canada. The deposit for Canadian companies will remain as it was. Stock of no par value is now issued by many companies, and in order that these companies may meet the requirements of the Insurance Act, a payment of a lump sum in dividends is provided for in lieu of a per cent dividend.

These are the principal amendments contained in the Bill.

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

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

FEDERAL DISTRICT COMMISSION BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 280, an Act respecting the Federal District Commission.

Hon. Mr. Robinson in the Chair.

Sections 1 and 2 were agreed to.

On section 3—Federal District Commission:

Hon. Mr. GRIESBACH: Before this is carried I would like to put on record my views with regard to this whole proposal. I think a great mistake is being made in proceeding in this way. If there is to be a Federal District here on the lines of the Washington Federal District, it is my view that before the Commission is created the district should be established in order that the investment may be secured, and in order that the interference of intervening authorities, municipal, provincial, and so forth may be eliminated. By proceeding in the way proposed in this Bill the Government are committed to the expenditure of a large sum of money with no assurance that they will be free from interference by the Province and the municipality, to say nothing of political interference.

While I am on my feet, I might go a bit further and say that the establishment of a Federal District here in Ottawa would eliminate what is the curse of Ottawa, and that is petty politics. I do not think it is incorrect to say that Ottawa is the political plague spot of Canada, and that hundreds of thousands of dollars yearly are wasted here because of the intervention of petty politics. It is a matter of common gossip that the members who represent the city of Ottawa keep themselves hidden in order to avoid those who are pursuing them for political favours. There are stories of dummy telephones and dummy offices—telephones that are not answered and doors that do not open.

Hon. Mr. BELCOURT: Those are modern inventions. They did not exist in my time.

Hon. Mr. GRIESBACH: I am speaking of the present, but I imagine my honourable friend could speak feelingly on this subject himself. Some members have even been said to go in disguise.

When the snow was on the ground I happened to notice something that brought this home to me. I passed some men who were apparently shovelling snow for themselves, and the snow was flying at a rapid rate; further down the street I found some municipal employees at work, and the speed at which they were working was very much less than that of the private individuals; finally I came up on the Hill and found some men shovelling snow out in front of this building, and from the rate at which they were proceeding there seemed to be every prospect that the sun would do the job before they did.

Now, I repeat that throughout this country it is known that this condition prevails in Ottawa, and it is believed that hundreds of thousands of dollars are wasted by petty politics here. Napoleon said that every French soldier had a marshal's baton in his knapsack. I might paraphrase that by saying this, that every little baby that is born in Ottawa has in its little napkin somewhere a prescriptive right to a Government job; and if the individual belongs to a class that is not out for Government jobs, belongs to the upper classes, the wealthier fellows, then that little baby has in its little napkin the right to a fat Government contract, or the right to lease a building to the Government at a fairly substantial rental.

If you inaugurate a Federal Government District here, and disfranchise this whole community municipally, provincially and federally, you will be following the example of the Washington District, and you will be relieving the Federal Government officials who have to do business here from the terrible stress of pursuit by local people, supported by the local press. It is not only a joke; it is a public scandal. I venture to assert that if the Deputy Ministers and men of that type would be induced to tell the truth, and speak without fear of the consequences—a thing I do not expect they will ever do—they would tell a story of interference and the imposition of utterly worthless people upon them at the expense of the country.

The Government now have an opportunity, by the declaration of a Federal District, of curing that sort of thing, and I submit that it should be done now. I disapprove of this Bill for the reason that it necessitates the expenditure of a large sum of money without any security for the investment. It puts the country to an expense every year, by statute. The honourable gentleman from Ottawa (Hon. Mr. Belcourt) said yesterday that the Commission might capitalize, and borrow money upon it. There is no security that their policy will be carried out without the interference of constituted authorities such as the municipal and provincial Governments; and there is no assurance to the electors who live elsewhere that those men will not be pitifully hounded from morning until night by this enormous class of people who have assembled here, who believe they have a prescriptive right to a job. It is more than a joke; it is a menace; and any man who has had any administrative and executive experience is appalled by the number of people who are standing around, wasting their time and the money of this country.

When I say that, let me make myself clear. I know that the Civil Service here in Ottawa has in it a number of splendid men and women

who earn every dollar they get but according to a close calculation there are on the temporary list an enormous number of people, engaged by influence and by importunity, who are not worth anything at all.

Hon. Mr. BELCOURT: Does my honourable friend think they all come from Ottawa?

Hon. Mr. GRIESBACH: They all live here; they are attracted here. Wheresoever the carcase is, there shall the vultures be. Here is the carcase, and I want to improve the carcase. I believe a mistake would be made in passing this Bill now.

Let the Government take their courage in both hands and do something worth while. Let them create a proper Federal District, and then those of us who live at a distance from the Government and everybody else will be interested in endeavouring to make this a beautiful city—if that is the idea—but a beautiful city based on the idea of efficiency in administration. Our first effort, our first thought, is not to beautify Ottawa; you cannot ask us to agree to that, but first to make the lay-out of this community efficient for the purposes of Government, and incidentally to make it beautiful.

In order that that may be done properly there must be full power, and there must be security against the interference of intervening authorities and the local politicians.

For the reasons I have given I intend to vote against this Bill.

Hon. Mr. DANDURAND: The honourable gentleman has said many things with which quite a number of members of this Chamber are disposed to agree, wholly or in part.

Hon. Mr. GRIESBACH: In principle.

Hon. Mr. DANDURAND: But I would draw his attention to the fact that we are in Committee, where the principle should not be challenged. The second reading has been passed, and when we go out of Committee I will put the Bill down for the third reading on Monday. My honourable friend may then talk against the principle of the Bill, because he will have it all before him.

I think I should add that the Commission which is about to be abolished, or to be absorbed by the new creation, has, I think, won the general commendation of the public for the way in which it has administered its mandate. I think we owe it to the Commission to make that statement. I have not followed its work personally, because I do not live very much in Ottawa, and the time I spend here is passed in this building; but from what I have heard I know of no criticism as to the manner in which the Commission has performed its task or expended the sums that were put at its disposal.

Hon. Mr. BELCOURT: In regard to the expenditure there can be no risk, because the Commission is not going to complete or undertake any work without getting the consent of the people who may have the power or right of control. For instance, if work is attempted outside of the immediate territorial limits of the city the Commission will have to get the consent of the adjoining municipalities which might be interested. They would first get the consent of the municipality of Ottawa, and then the consent of other municipalities around.

Hon. Mr. GRIESBACH: I know; but that is the difficulty.

Hon. Mr. BELCOURT: But they cannot and will not undertake any work unless they have such consent.

Hon. Mr. GRIESBACH: But does not the honourable gentleman see at once how they are circumscribed? The Commission must first ask themselves, what are we trying to do here? Having settled that question in their own minds, they should then engage proper engineers, landscape architects, and that sort of assistance, and then they should have power to work to that scheme regardless of what other people think.

Hon. Mr. BELCOURT: They have expropriation powers.

Hon. Mr. GRIESBACH: I know; but they are going to be hampered all along the line. It is piteous to me. Why, we have objections from Hull already. Now, Hull is a manufacturing town, and Hull has its distinct problems, because if you undertake to beautify Hull you may spoil their business sites, and all their arrangements for the transaction of their business.

Hon. Mr. BELCOURT: But nothing can be done there, or will be done, unless they agree.

Hon. Mr. GRIESBACH: Then let that question be settled first. If Hull is going to be put to any loss, or if Hull is going to be out, let your Federal District stretch the other way. But I submit that you are only borrowing trouble and wasting money, and rendering it impossible for the Commission to lay down and work out a large scheme which will absorb a great sum of money over a long period of years. You are going to encourage a great scheme, and spend a lot of

money, and you have not the proper foundation to do it on. That is why I am objecting.

In answer to the honourable gentleman who leads the Government (Hon. Mr. Dandurand), I am sure no one is criticizing the late Commission that is being absorbed. That Commission seems to have done the best it could. I did not criticize it, and do not intend to do so.

Hon. W. B. ROSS: Honourable gentlemen, I looked over this Bill, and thought some what on the points to which the honourable gentleman on this side has just referred, but we have no way of getting a Federal District without changing the Constitution, so far as I can see. I doubt very much if we could get the power to form such a district. In any case, we have not got it now; so it is a question whether to go on with this new Commission or stop altogether. I can see advantages in a Federal District if we had the authority to go on with it, but you have not got such authority.

Hon. Mr. BELCOURT: The Federal District need not take in the city of Hull, or any portion of Quebec.

Hon. W. B. ROSS: How can it take in anything?

Sections 2 to 20 were agreed to.

Hon. Mr. DANDURAND: Honourable gentlemen, this Bill came to us without a transmission clause, and I submit the following as new section 21:

21. Subject to the provisions of this Act the Commission shall possess and be vested with the assets, rights, credits, effects and property real, personal and mixed of whatsoever kind and wheresoever situated, belonging to the Ottawa Improvement Commission, and shall pay, discharge, carry out and perform all the debts, liabilities, obligations and duties thereof.

New section 21 was agreed to.

Section 22 was agreed to.

The preamble and title were agreed to.

The Bill was reported.

THREE RIVERS HARBOUR COMMISSIONERS BILL

FIRST READING

Bill 302, an Act to amend the Three Rivers Harbour Commissioners Act, 1923.—Hon. Mr. Dandurand.

CHICOUTIMI HARBOUR COMMISSIONERS BILL

FIRST READING

Bill 303, an Act to amend the Chicoutimi Harbour Commissioners Act, 1926.—Hon. Mr. Dandurand.

CANADA SHIPPING BILL

FIRST READING

Bill 304, an Act to amend the Canada Shipping Act.—Hon. Mr. Dandurand.

The Senate adjourned until Monday, April 11, at 8 p.m.

THE SENATE

Monday, April 11, 1927.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST, SECOND AND THIRD READINGS

Bill B9, an Act for the relief of Joseph Albert Georges Lachance.—Hon. Mr. Willoughby.

Bill C9, an Act for the relief of Fanny Mayer.—Hon. Mr. Willoughby.

INTERPARLIAMENTARY UNION CONFERENCE, 1925

STATEMENT AND DISCUSSION

Hon. Mr. BELCOURT rose in accordance with the following notice:

That he will call the attention of and submit to the Senate the Resolutions adopted by the Interparliamentary Union at its conference held partly in Washington and partly in Ottawa in 1925.

He said: Honourable gentlemen, as President of the Canadian Group of the Interparliamentary Union it is my duty and my privilege to call attention to the work performed by the Interparliamentary Union at its Conference held in 1925, partly in Washington and partly in Ottawa. I may be permitted to make certain observations with regard to the Interparliamentary Union itself, before I proceed to lay on the table the resolutions which I desire to submit to Parliament.

The Union was founded in 1888, with nine representatives from England and twenty-five from France, its object being the study and promotion of international co-operation and solidarity. It held its first meeting in Paris in 1889, and there were present representatives from France, Great Britain, Belgium, Denmark, Spain, the United States of America, Hungary and Liberia. Prior to 1914, eighteen Conferences had been held in different countries of Europe, and one in the United States, at St. Louis, Missouri, in 1904. Since its very inception, the Union has each year enlarged the

scope of its work and increased its successes. At the outbreak of the war it comprised twenty-six national groups and 25,000 members.

During the war the work was completely suspended. At the first meeting after the conclusion of peace the Union placed on record its profound appreciation of the institution of the League of Nations and offered its heartiest co-operation in the democratic maintenance and evolution of the League. Its paramount duty, its constant purpose, has been the firm establishment of world peace.

In 1921 the conferences were resumed, when 191 parliamentarians met at Stockholm in that year. Conferences were held in 1922 at Vienna, with 304 representatives, belonging to twenty-six different States, and in 1923 at Copenhagen, with 432 parliamentarians from twenty-six different States.

At its meeting in Berne in 1892 the object of the Union was specifically defined as follows:

The Interparliamentary Conference for international Arbitration is the organ of the groups of the different members of parliament which have been or will be constituted, for the purpose of causing to be known in their states, either by means of general legislation or by means of special treaties, the principle that differences between states shall be submitted to an arbitration tribunal for settlement, as well as to treat of other international questions, of general interest coming within the idea of ar bitration.

The Union, ever anxious to present practical solutions, has insisted upon constant investigation and inquiry by its permanent commissions of inquiry. There are five of those commissions, to whom have been assigned, respectively, ethnical and colonial questions, economic and financial questions, questions of disarmament and juridical questions, and the study of social questions.

The International Labour Bureau has given its active co-operation.

It is to be remembered always that the Union has no official status or executive jurisdiction for the enforcement of its decisions. It has no power or other means to secure the adoption of and submission to its decisions on questions of international importance, except that which is derived from the moral influence and action of the different national groups composing it. Its work is merely educational. It aims to promote the principle of arbitration for the settlement of disputes between nations.

The Conference in 1925 was held partly in Washington, on the invitation of President Coolidge and the American group, and partly in Ottawa, on the invitation of the Canadian group. In order to defray the expenses of the Ottawa meeting, Parliament voted the sum of $10,000, to be implemented later if this sum were found to be insufficient.

Hon. Mr. BELCOURT.

I am condensing my remarks, as I do not wish to take up any more time than is absolutely necessary; but with your permission, honourable gentlemen, I should like to read the agenda.

Agenda of the Conference

1. Election of the President and of the Bureau of the Conference.

2. General Debate on the Secretary-General's Report. Baron Adelswaerd, former Minister of Finance of Sweden, President of the Inter-Parliamentary Council, will open the debate.

3. The Pan-American Union.

Rapporteur: Hon. Senator Claude A. Swanson (United States of America.)

4. The Development of International Law. Reports to be presented in the name of the Permanent Committee for the Study of Juridical Questions.

(a) The Codification of International Law. Rapporteur: Hon. Senator Elihu Root, former Secretary of State (United States of America).

(b) Declaration of the Rights and Duties of Nations. Rapporteur: M. LaFontaine, Vice-president of the Belgian Senate, President of the Belgian Group.

(c) The Criminality of Wars of Aggression ("Outlawry of War"). Rapporteur: M. V. V. Pella, University Professor, Member of the National Constituant Assembly (Rumania).

5. European Customs Understanding.

Report to be presented in the name of the Permanent Committee for the Study of Economic and Financial Question by Mr. Adolf Braun (of Franken), Member of the German Reichstag.

6. The Problem of National Minorities.

Report to be presented in the name of the Permanent Committee for the Study of Ethnic and Colonial Questions, by Dr. Paul Usteri, former Conseiller aux Etats (Switzerland).

7. The Fight against Dangerous Drugs.

Report to be presented in the name of the Permanent Committee for the Study of Social Questions, by Dr. Jaroslav Brabec, Senator, President of the Czecho-Slovakian Group.

8. The Reduction of Armaments.

Report to be presented in the name of the Permanent Committee for the Reduction of Armaments.

(a) Demilitarised Zones.

Rapporteur: Brig.-General E. L. Spears, C.B., C.B.E., M.C., (Great Britain).

(b) Plans and Method for the Reduction of Armaments.

Rapporteur: Dr. P. Munch, former Minister of Defence (Denmark).

9. The Parliamentary System. The present crisis in that system and its remedies.

Rapporteur: M. Horace Micheli, Conseiller national (Switzerland).

10. Communication of the names of the Delegates from the Groups to the Inter-Parliamentary Council from the XXIIIrd to the XXIV Conference.

According to Art. 12 of the Statutes of the Union, two delegates to the Council are nominated by each Group at least a month before the opening of the Conference. Such nominations are communicated to the Inter-Parliamentary Bureau and by the latter to the Conference.

11. Election of a member of the Executive Committee to take the place of Count Albert Apponyi (Hungary), the retiring member.

According to Art. 16 of the Statutes the retiring member is not eligible for re-election and his place must be filled by a member belonging to another Group.

The conference was composed of over 400 delegates from 41 different nations, including Germany, which sent a large delegation, to the number of 28 members, if my memory serves me correctly. Among these was Dr. Josef Karl Wirth, the Ex-Chancellor of Germany, and also leader of the Centre party. From Great Britain, under the leadership of Sir Robert Horne, Ex-Chancellor of the Exchequer, there came a large representation, to the number of over 40.

The Conference at Washington was presided over by the late Senator McKinley. As President of the Canadian group I was elected Vice-President of the Conference at Washington.

The Conference at Ottawa was presided over by myself, with the late Senator McKinley as Vice-President, and Right Hon. Sir Robert Borden, and Hon. Senator Beaubien acted temporarily as Chairmen. As President of the Canadian group I delivered the address of welcome.

I may perhaps be permitted to read one or two extracts from the first report issued by the Union after its meeting at Ottawa:

The debate at Washington and Ottawa was a very great success. One is convinced of this on perusing the volume in which have been treated the subjects discussed and the resolutions adopted. The discussions on International Law, to name only one subject, covered a very wide field, from the juridical as well as the political point of view. Rarely has an international assembly given such proof of talent and experience in a domain so high and vast. Moreover, the purpose which the organizers had set for themselves was fully attained. The representatives elected by the nations of many parts of the world met and indulged in mutual explanation and discussion of the grave problems engaging their attention. They were enabled to realize the factors which separated them and the points of contact at which they could be united. The Conference at Washington and at Ottawa was a bold undertaking, or, rather, an act of great courage and goodwill, which will certainly benefit those who accomplished it.

Then, passing on, let me read the most important resolutions adopted by the Congress. It is to these resolutions particularly that I desire to call attention, because they show the work done and the plans in prospect. The resolutions were as follows:

The Codification of International Law

The XXIIIrd Inter-Parliamentary Conference,

while greeting with satisfaction the labours undertaken by the Committee of Experts called together by the League of Nations to indicate the questions of International Law suitable for progressive codification, and also expressing its satisfaction because of the work already accomplished, as well as that in prospect, by the Pan American Union and all other organizations engaged in the same laudable work,

nevertheless considers that the best method to follow would consist in establishing a general and constructive plan for such codification, based on the progress made during recent years, with a view to defining the fundamental conditions of the régime of peace to be instituted between the nations, to providing for the judicial settlement of disputes which constitute a threat to that régime and to the application, if necessary, of methods of execution and of sanction,

and invites the Committee for the Study of Juridical Questions to present proposals for this purpose to a forthcoming Conference of the Union.

These proposals would ventually be submitted to an international conference of nations called for the purpose of effectuating the codification of International Law.

The next Resolution is entitled: "Declaration of the Rights and Duties of Nations."

The XXIIIrd Inter-Parliamentary Conference, considering, on the one hand,

that a declaration of the rights and duties of nations, regarded as members of the international community, would prove a powerful factor in promoting amongst them the sense of order, of international justice and of responsibility,

and that, on the other hand, the insertion of such a declaration in a future code of international law would help to establish the fundamental principles of that law,

requests the Committee for the Study of Juridical Questions to prepare a draft declaration which could be submitted to an ensuing conference of nations. In addition to political and juridical conditions, it would also be desirable to take into account economic conditions guaranteeing the right of nations to existence.

The next resolution deals with "The Criminality of Wars of Aggression and the Organization of International Repressive Measures".

The XXIIIrd Inter-Parliamentary Conference,

having heard the report of M. V. V. Pella,

realizing the possibility of a collective criminality of States and believing that that criminality should be studied from a scientific standpoint in order to determine the natural laws governing it and to decide upon methods for its prevention and suppression,

resolves,

to institute a permanent sub-committee within the Committee for the Study of Juridical Questions

a. to undertake the study of all the social, political, economic and moral causes of wars of aggression and to find practical solutions for the prevention of that crime;

b. to draw up a preliminary draft of an International Legal Code.

For this purpose the Conference calls the attention of the sub-committee to the principles laid down by M. V. V. Pella in his report and summarized in the annex to the present resolution.

I might mention here, in parenthesis, that the honourable leader of the Government in this House (Hon. Mr. Dandurand) and myself had the honour to write the preface to this report of Professor Pella's.

Then comes a resolution on the subject of a "European Customs Understanding."

Seeing,
that it would be of the greatest importance for good relations between European States and thus contribute to guarantee the peace of the world, if the economic barriers at present dividing these States, were—as far as possible —abolished,
considering further
that such measures probably, in any case in the long run, would contribute to create a steady and more extensive market for the products of European agriculture and industry and therefore also to decrease the cost of production and the unemployment in Europe,
considering on the other hand
that the question if and how such measures could be realized, ought to be subjected to a very close study with due regard to the different economic conditions in different countries.
the Conference requests the Committee for Economic and Financial Questions to appoint a special sub-committee whose duty it will be, after hearing of the National Groups, to study the question as to what could be done to abolish or diminish the economic barriers existing between European States, and to present a report on this matter to a subsequent Conference.

Then follows the resolution on National Minorities:

5

National Minorities

"Seeing that there exist in most European States mixed populations comprising majorities and minorities of race, language or religion:
seeing that these conditions are liable at times to create difficult and intricate problems which it is essential to solve as far as possible by direct agreement between the majority and the minorities;
seeing that the resolution of the XXIst Conference recommending the institution of *Paritative Commissions* for the solution of minority problems has not received the desired consideration,
the XXIIIrd Inter-Parliamentary Conference, in the interest of European peace and of good understanding between majorities and minorities in States having a mixed population,
again calls the attention of the Groups to the services which might be rendered in countries with minority problems by Paritative commissions composed of an equal number of representatives of the majority and of one or other of the minorities and adapted to the conditions and to the various needs of the country, with the task of sugggesting just solutions of the questions under dispute with a view to appeasing conflicts.
In the opinion of the Conference paritative commissions might with advantage pursue their work either within local divisions, or in conjunction with the central institutions of the State, according to the nature of the question to be treated.

II

Seeing that the International Court of Justice at The Hague, founded in 1921, enjoys general confidence and esteem,
seeing that the Council of the League of Nations has already applied to that Court for the solution of contestations relating to the situation of minorities, by soliciting its advice on disputed points; seeing that the treaties now in force provide for the reference of contested questions relating to the interpretation or the application of existing minority treaties to the International Court of Justice, at the request of one of the States represented on the Council of the League of Nations.
the XXIIIrd Inter-Parliamentary Conference expresses its desire that all contested questions suitable for such reference, and particularly those relating to the interpretation and the application of minority treaties, should be referred by the Council to the International Court of Justice, whether for its advice on litigious points or for a definite solution.

The Rapporteur who presented the report on National Minorities was Dr. Paul Usteri, formerly a member of the State Council of Switzerland. I regret that Dr. Paul Usteri, who was one of the most distinguished members of the Council, has since left this world.

There was no resolution, as honourable gentlemen may remember, in regard to Noxious Drugs. It was the last subject on the Agenda, but for want of time it was not gone into.

The following was the finding on the question of the reduction of armaments:

The Reduction of Armaments

Resolution presented on behalf of the Permanent Committee for the Reduction of Armaments (and passed without alteration).

I

Demilitarized Zones

Rapporteur: Brig.-General E. L. Spears, C.B., C.B.E., M.C. (Great Britain).

A

The XXIIIrd Inter-parliamentary Conference, recalling the beneficial results for the cause of peace of the establishment of demilitarised Zones, and particularly of the Treaty of 1817 between the United States and the British Empire;

That was the Treaty in which we were mainly concerned—

Seeing that every measure calculated to avoid immediate contact between opposed military forces would avert the danger of frontier incidents and help to create a greater sense of security on either side, thus making a considerable reduction of armaments possible
calls attention to the very special importance which the creation of demilitarised zones on exposed frontiers, under the auspices of the League of Nations, would have,
and recommends for the consideration of the Groups of the Union the declaration and statement of principles annexed to the present resolution, which might serve as a basis for the drafting of special conventions providing for the establishment of particular zones.

The Inter-Parliamentary Bureau is requested to transmit the present resolution with its annexes to the Groups and the Governments of the countries represented within the Union.

B

The Inter-Parliamentary Committee for the Reduction of Armaments is empowered to place itself at the disposal of Groups, desirous of entering upon reciprocal negotiations, with a view to the conclusion of treaties providing for the establishment of demilitarised zones along their frontiers.

Plans and Method for the Reduction of Armaments

The XXIIIrd Inter-Parliamentary Conference,

recalling the resolutions of preceding Conferences and insisting strongly upon the urgency of a reduction of armaments for all nations;

noticing with the greatest regret that of late years the military expenditure of most countries shows a serious increase;

realizing, on the other hand, the necessity of giving to the nations a feeling of security,

asks the Groups of the Union to consider every practical means of creating such a mutual feeling of security between the nations.

The Conference believes that one of those means,—and one of the most important,—would be a general reduction of armaments. It therefore insists on the urgency of a thorough examination of methods for the reduction of armaments and begs the Permanent Committee for the study of these questions to appoint a sub-committee among its members to draft a technical scheme for a general reduction of armaments.

This sub-committee shall examine the two schemes presented to the preceding Conference, and any other suggestions brought forward in the course of the present Conference. It may call in experts.

Documents annexed to Resolution II on Demilitarised Zones

I

Declaration

The Inter-Parliamentary Union calls the attention of the Governments to the institution of demilitarised zones. It also recommends to the careful study of its Groups the report presented by its Committee for this question.

The conclusions of that report are:

that the vital problem now facing Europe is that of security;

that so long as that problem has not been solved, disarmament cannot be obtained.

Europe will not disarm so long as distrust of neighbours and fear of the future subsist, for those feelings inevitably drive the nations, desirous though they be of peace, to remain armed. The crushing burden of armaments forms an obstacle not only to economic recovery, but also—and this is more serious—carries the nations imperceptibly but with certainty towards new conflicts and fresh disasters.

The Inter-Parliamentary Union sees in the institution of Demilitarised Zones the possibility of creating in many cases that sense of security essential to the peace of nations. The creation of such zones is compatible with any individual plan for peace and for security, and can also, in the absence of such arrangements, constitute a basis for more extensive agreements.

The existence of the League of Nations makes possible conceptions hitherto unattainable; it would be culpable not to seek to explore all the possibilities of peace created by that new and great outcome of human thought.

Thus, a new conception of the frontier can be entertained. In the past certain frontiers were a source of constant danger; frontier incidents were always to be feared, and the origin of an act of provocation or even of aggression was difficult to ascertain.

The League of Nations can intervene between the peoples and can declare that whosoever violates a zone established between them commits an international crime to which the entire world may be witness.

In no country does the common law allow the individual to take his own vengeance, no matter what may be his provocation. Similarly, no provocation should justify a nation in taking the law into its own hand and violating an international agreement, as for instance a convention establishing a demilitarised zone. That nation must appeal to arbitration as the individual appeals to the judge.

It is unavoidable that the creation of a zone should entail mutual concessions, but these concessions will be limited by the fact that every zone will be freely agreed upon and that no zone will be established entirely at the cost of one country. The countries concerned must not forget that they gain the greatest of all benefits —that of peace.

The Inter-Parliamentary Union has examined the most difficult cases and has arrived at the conclusion that if the parties concerned show good-will and are firmly resolved to succeed, there is no case impossible of solution.

It is not proposed to thrust any measure on any party. Suggestions have been made; agreement must rest with those concerned.

We wish, however, to utter a solemn warning to those who may neglect this great possibility for peace. War is now a disaster which affects the whole of mankind. He who, by neglecting any means proffered to him, allowed mankind once again to be overtaken by that catastrophe, would run the risk of finding himself the object of the world's censure.

II

Demilitarised Zones

Proposed General Regulations prepared by the Committee for the Reduction of Armaments

General Provisions

1.—In demilitarised zones

a) no fortifications may be retained or constructed;

b) no armed forces, whether permanent or temporary, may be maintained or assembled, nor may any military manœuvres of any sort be executed;

c) no contrivance of any kind to facilitate mobilization may be retained or constructed;

Military and naval aircraft, without distinction of nationality, are forbidden to cross a zone.

2.—Demilitarised zones shall be policed exclusively by a police force which must not be militarily organized and which shall be subordinate to the civil authorities of the country only.

3.—The numerical strength of the police and their arms shall form the subject of special agreements. The members of that police force

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shall have only the personal weapons necessary for police work. It should be a recognized principle that the police force must be large enough to be able to suppress even serious disturbances without having recourse to reinforcements from without the zone. Should there be a difference of opinion, the General Commission provided for in Art. 5 shall be the judge.

The Control of Demilitarisation

5.—The League of Nations is requested to nominate a General Commission, having its seat in Switzerland, for demilitarised zones. This Commission shall be competent for all questions relating to the application and the interpretation of treaties concerning demilitarised zones. It shall order investigations with regard to the different zones and shall make the necessary decisions based on the results of those investigations.

6.—The General Commission shall have power to nominate a commission of control for each zone. The Commission shall be able, if it considers it necessary, to transfer the seat of the Commission of control within the zone, either as a permanent or as a temporary measure.

7.—Each Commission of control is to be composed of a president and two assessors. Each member must belong to a different nationality. They must not be national of the countries immediately concerned (Zones states) or be engaged in their service. In order to ensure a constant quorum, a deputy and a vice-deputy shall be appointed for every member of the commission.

8.—The members of each commission of control shall be nominated from lists of candidates presented, in the case of the President and of his substitutes, by the Permanent Court of International Justice; and in the case of the assessors and of their substitutes, by the Government of each of the zone states. Three candidates shall be proposed for each post.

9.—The members of the General Commission and of the commissions of control shall enjoy the privileges and immunities of diplomatic representatives in the performance of their duties.

10.—The General Commission may appoint, either permanently or temporarily, experts and other assistants.

11.—Immediately on receiving a complaint, the General Commission may, by a simple majority, order an investigation on the spot. Such an investigation must take place if one of the zone states so requests.

12.—The Governments of the two demilitarised zone are each entitled to send, at their own expense, delegates to every investigation.

13.—The control commissions shall submit a report to the General Commission. The latter shall call upon the governments of the zones concerned to express their views on the report within a reasonable lapse of time. On the expiration of this period the General Commission shall give its decision. The Government of the zone to which the decision relates may appeal to a court of arbitration.

14.—In urgent cases the control commissions may order the immediate redress of the grievance. In this case the decision must be unanimous. The government of the zone concerned shall, however, have the right to appeal to the General Commission and in the second instance to a court of arbitration.

15.—In urgent cases, if a zone state finds that the police forces at its disposal within the demilitarised zone of its territory are insufficient to maintain pubic order, and considers it necessary to call in supplementary police forces, it shall be obliged to lodge a formal notification of this measure with the General Commission, in the exceptional event of its not having been able to do so in advance. The supplementary force is not, however, to exceed a maximum number equal to one-third of the regular police force, without the preliminary consent of the General Commission.

Should the General Commission not approve of the use of the supplementary police forces notified, the zone government concerned shall be entitled to submit the matter to the Permanent Court of International Justice at the Hague, which Court may, by means of a provisional injunction, request a restriction of the forces concerned, or the withdrawal of the measures adopted.

16.—Should a zone state believe itself unable to maintain order with police forces and consider it necessary to send troops into the demilitarised zone of its territory, it must obtain the previous consent of the General Commission. For this purpose it shall accurately indicate the number, composition and equipment of the troops to be employed. The Commission may approve the measure, if necessary after certain modifications, or it may refuse its consent.

In the event of modifications being asked for, or of the Commission refusing its consent, the states concerned may submit the matter to the Permanent Court of International Justice at the Hague.

17.—The procedure provided for in the foregoing paragraphs shall not prevent the zone state concerned from coming to an agreement with the General Commission as to the extent and duration of the measure proposed, even after an appeal has been lodged with the Permanent Court of Justice.

18.—Without losing sight of the general principles laid down in Arts. 15-17, special provisions may be made with regard to particular zones, on the basis of an agreement between the zone states.

19.—If the Government of a zone state raises objections to an order or a decision of the General Commission in cases other than those covered by Articles 15-17, it may appeal to the verdict of a court of arbitration. This court shall be composed of four members, two of whom shall be appointed by the plaintiff government and two by the General Commission, and of a chairman appointed by the President of the Permanent Court of International Justice.

20.—The zone states shall consult together as to supplementary measures to be taken by one or other of them to create a sense of security on both sides of the zone, specially with regard to the application of the principles laid down in Article 1.

On the subject of "The Parliamentary System—the present crisis in that system and its remedies," the following resolution was presenting by M. H. Micheli, Conseiller national (Switzerland) and passed without alteration.

The XXIIIrd Inter-Parliamentary Conference,

having examined the report of M. Horace Micheli, Conseiller national (Switzerland);

considering the crisis through which the parliamentary system is now passing in almost every country, the criticism and even the attacks to which it is subjected from the most diverse quarters,

considering, on the other hand, that the Inter-Parliamentary Union is the international institution best qualified to discuss that criticism and, in so far as it may prove justified, to find remedies, and also to refute the attacks directed against the very existence of the parliamentary system as the protector of public liberty,

requests the Committee for the Study of Political and Organization questions, after having instituted an inquiry among the national Groups, to study the parliamentary system in the different countries and to present a report to a subsequent Conference.

Acting under that resolution, I prepared and sent to the seat of the Interparliamentary Union in Geneva a rather lengthy report with regard to our method of government, dealing more particularly with the parliamentary system.

I may be permitted to make reference to, or to quote certain statements in the report with regard to the social side of the Conference, and the events which took place.

Hon. Mr. MURPHY: Before the honourable gentleman comes to that, may I ask him a question? Was it suggested by any of the resolutions adopted by the Conference that there should be subsequent ratification by any of the Parliaments represented at the Conference?

Hon. Mr. BELCOURT: No. The duty of each group is, through its president, to call the attention of its Government and Parliament to the resolutions adopted, and to take such measures in furtherance of the objects covered by the resolutions as may be thought proper. Of course, it is quite open to this House to discuss the resolutions if it so chooses; but there is no duty or no request of any kind to indulge in any discussion.

In Washington most charming hospitality was offered to the delegates by Washington society, the Diplomatic Corps, Foreign Colony and the Secretary of State.

Dealing with the visit of the delegates to Canada, I wish to quote the following extract from the volume containing the full report of the proceedings of the Conference.

On Saturday, the 10th of October, a special train conducted the delegates to Niagara Falls where, upon their arrival, they were able to inspect the famous Falls, which had been specially illuminated by multi-color projectors. The next morning at breakfast eloquent and moving words were pronounced by Americans and Canadians.

Then followed the charming episodes of the rapid trip to Canada. On the 11th of October, Hamilton; on the 12th, Toronto; on the 13th, Ottawa; on the 14th, Montreal, and on the 15th, Quebec.

We brought them to five of the largest cities of Canada in five days.

The delegates were received and entertained by the authorities and people with munificence and a cordiality which we are unable to adequately describe.

The beautiful banquet offered at Ottawa by the Parliament of the Dominion, and followed by a brilliant ball, was but one of the numerous receptions where the delegates and their families had the opportunity of meeting the distinguished personages of the Canadian world.

We may mention also the dinner tendered at Hamilton by the authorities and the citizens of that city, the luncheons given at Toronto by the Government of the Province of Ontario, and at Montreal by the Mayor and Municipal Council of the City of Montreal; also the charming reception held by the Lieutenant Governor of the Province of Quebec at his residence, Spencerwood.

On the 15th of October a farewell banquet united for the last time the delegates and their hosts at the Chateau Frontenac.

The next day the members of the Conference separated, carrying with them an unforgetable recollection of the magnificent days which they had spent together.

The only comment of my own which I crave to be allowed to make is that, judging by the oft-repeated expressions of the delegates, they left Canada with a very high opinion of the country and its possibilities. We were very fortunate in having most magnificent October weather. Unfortunately for Washington—and what was their misfortune was our good fortune—there was very bad weather all the time we were there; but as we crossed the International Bridge at Niagara the sun came out, and it remained with us until these gentlemen had left Canada. Unquestionably the feeling amongst them all was that the Conference, both at Washington and in Ottawa, had met with greater success than had any previous meetings.

The only other statement I wish to make is that the next Conference will be held at Paris towards the end of August this year. I have not yet received full information with regard to the terms and conditions under which it will be held, nor the agenda of the Conference. I expect that information will be at hand very soon, and I shall endeavour to have a circular printed at the earliest possible date and distributed among the members of this House and the members of the House of Commons who are members of the Interparliamentary Union. The conditions are going to be very favourable, and I should

think every member of the Union who can go—if I remember correctly, we can send eight delegates—ought to take advantage of the great opportunity offered to visit Paris and at the same time attend and take part in this worldwide international conference.

Hon. Mr. McMEANS: I desire to take this opportunity of saying a word on the Interparliamentary Union, without attempting to add anything as to what it has accomplished. The honourable gentleman from Ottawa has already very fully covered that subject. I wish to state that in the opinion of the Canadian delegates the success of the Conference, especially here in Canada, was due in a very large measure to the honourable gentleman who has just taken his seat. He had in charge some 400 delegates—a rather difficult undertaking—and he managed so well and everything was done so thoroughly that everybody was more than satisfied. I heard many expressions of appreciation among those who came from other countries of the treatment accorded them from the time they arrived at Niagara until they left Canada. I believe that more good was accomplished on behalf of Canada among the 41 nations represented than could be accomplished by any other method that might be followed. The delegates all went back to their countries loud in their praises of Canada, and in that respect the Conference did more than all the immigration propaganda we could have devised would have done.

I desire to repeat that the congratulations of this House should be tendered to the honourable the senior member for Ottawa (Hon. Mr. Belcourt) for the very efficient manner in which he conducted this whole affair.

Hon. Mr. WILLOUGHBY: Honourable gentlemen, may I add a word? I also happened to be delegate to Washington. I must frankly confess that I was somewhat reluctant to go. Owing to the elections taking place at that time, the President doubtless had very great difficulty in securing proper representation from Canada. The duty therefore fell upon the Senate, as it does in many cases, to provide the necessary relief, for, as we all know, we are not politicians. I was happy to be able to attend the Conference in Washington, and to accompany the delegates as far as Toronto. I echo what has been so well said by the honourable gentleman from Winnipeg (Hon. Mr. McMeans) of our distinguished Canadian President, who contributed of his personality and organizing ability to such a great extent in making the Canadian end of the Conference a complete success. I think it was of no small advantage to him that he was bilingual and consequently was able to communicate more readily with many of the foreign delegates than some others would have been. The honourable gentleman from Montarville (Hon. Mr. Beaubien) was also there as vice-president, and he deserves his meed of praise for the work which he did. I speak with knowledge, for all the Canadian delegates were quartered in the same hotel. The president had a secretariat of his own, and there was an infinite amount of arrangement and planning necessary for properly carrying on while the delegates were within our borders, and I may say that the honourable gentleman from Winnipeg is not the only one who has uttered words of praise of our president on that occasion.

Hon. Mr. DANDURAND: Honourable gentlemen, I am very glad indeed that the honourable the senior member for Ottawa (Hon. Mr. Belcourt), President of the Canadian group of the Interparliamentary Union, thought fit to bring before this Chamber the information which he has given us to-night. I sat in the Council of the Union in March of last year, among the representatives of several European countries, and they were loud in their praises of the treatment which had been accorded them in Canada. I felt that that praise was due directly to the efforts of the leader of the Canadian group, Senator Belcourt.

LIVE STOCK AND LIVE STOCK PRODUCTS BILL

FIRST READING

Bill 229, an Act to amend the Live Stock and Live Stock Products Act, 1923.—Hon. Mr. Dandurand.

SECOND READING

Hon. Mr. DANDURAND: I crave the permission of the House to move the second reading of this Bill now, so that we may send it to Committee to-morrow.

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

CONDITION OF PARLIAMENT GROUNDS

On the Orders of the Day:

Hon. J. J. HUGHES: Honourable gentlemen, before the Orders of the Day are proceeded with, I wish to call the attention of the House to a certain matter that I think should be mentioned. I do not know whether this is the right place or the right time, but at all events it should not be altogether overlooked.

I think you will have observed on windy days during the past week or two, as you have come to this building, that large quantities of

dead leaves and of dust were flying. I noticed on some days that the wind collected those leaves in heaps. It would have been very convenient to take them away, but that was not done. Going around the building this afternoon, I noticed that the wind had again done its work. It had collected most of the leaves in heaps at the south and west corners of the building, where they had been left by the caretakers. To-morrow they may be scattered all over the grounds again. Somebody is at fault; the foreman of the caretakers, I presume.

There are some other little things noticeable that might very well be attended to if a little thought and care were exercized by these men. If I knew who the foreman was, or his address or telephone number, I would communicate with him myself. But he might pay no attention to me.

Last year you perhaps observed that a quantity of shrubbery was planted around this building. As a result of the way in which the work was done the shrubbery did not and could not grow. Anybody who has any knowledge at all of transplanting trees or shrubbery knows that unless the tops are well cut down the plants will not grow. The roots must necessarily be cut when they are removed from the place where they originate. The same plan may be followed again this year, and, if so, the same results will of course take place. Someone should go to the foreman who is in charge of these grounds and give him a little elementary information in regard to work of this kind.

Hon. Mr. DANDURAND: I will draw the attention of the Minister of Public Works to the remarks of my honourable friend. I think the keeping of the grounds is under his Department.

MARITIME FREIGHT RATES BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 224, an Act respecting the Canadian National Railways and the tariffs of tolls to be charged on certain Eastern lines.

Hon. F. B. BLACK: Honourable gentlemen, coming from the Maritime Provinces, I desire to make a few remarks with regard to the whole subject of the Duncan report. Speaking for the Maritimes, I think I can safely say that as a whole the people of those Provinces were pleased with that report. The reason why they were pleased with it was not that any person in the Maritimes believed that if the recommendations were carried out to the fullest degree all of the ills of those Provinces would be cured. We do not think that, but we appreciate the report because it is a recognition of the justice of the claims which for years have been put forward by the people of the Maritime Provinces, and which for years have not received the consideration they should have received from the other Provinces of Canada.

I also desire to congratulate the Government upon implementing that report. There are two points on which they have not gone far enough. I am very greatly appreciative of the distance they have gone towards carrying out the recommendations, but as I proceed I shall call attention to two instances in which I think they have not gone as far as they might have gone. I have the consolation of feeling that in all probability they will fully carry out the report to the last word.

There has been all over Canada, I think, outside of the Maritimes, a lack of appreciation of the situation existing down there. That lack of appreciation is due to a lack of knowledge. All the good that may be done to the Maritimes, and consequently to Canada by the fulfilment of the terms of the report, will depend entirely upon the attitude taken by the rest of Canada. One honourable member of this House said to me: "You are not going to refuse us so and so, after the gift that you have got." If that is the attitude of any considerable portion of Canada, then no good will be done by the Duncan Report. Another honourable member of this House said to me: "The Maritimes have never done anything for themselves. Why should they be helped by the other portions of Canada?" If that is the spirit which the people of the rest of Canada are going to adopt towards the contents of this report, then it is very likely to do more harm than good.

I think that such remarks are made not because of any illfeeling, but solely because of a lack of knowledge of the conditions existing in the Maritime Provinces to-day, and the conditions that existed there at the time of Confederation. I desire to clear away some misconception in this respect, in the hope that the rest of Canada may realize that what are recommended in the Duncan Report are not gifts, but the fulfilment of an obligation —I might call it a treaty obligation—undertaken by the rest of Canada with regard to the Maritimes. It is because I desire to impress that fact upon the honourable members of this House that I am going to make the few remarks I shall make.

I have said that there has been and is a lack of appreciation, due, I have no doubt, to a lack of knowledge. The people of the Maritime Provinces are not lazy. Nobody who has been there and has seen them believes it for a moment. They are energetic and progressive; yet they have not progressed.

Let me revert to the time prior to Confederation. Before Confederation there was no other part of Canada so prosperous as the three Maritime Provinces. Our trade was in the very best of condition. It has never been as good since. That is a matter of history. I do not need to go into that; because any of you who have read the history of Nova Scotia, New Brunswick and Prince Edward Island, and the history of Canada as it was before Confederation, will know that. If there are any who do not know it, I will not take the time now to argue it, but will ask you to read the history of this country between 1850 and 1867.

Hon. Mr. DANDURAND: Will my honourable friend allow me to ask him a question? What was the trend of trade? Was it mostly with the United States, or what proportion of it was with that country?

Hon. Mr. BLACK: It consisted of lumbering, agriculture, ship-building, fishing. They had a market in Europe, and a market in the United States, but naturally not very much market in Western Canada. Almost every industry that we have ever had up to the present time had its inception between 1850 and 1867. Much of it dried up because of Confederation. I will go further and call your attention to another fact, which does not need to be implemented by me, with regard to the condition of trade in Upper and Lower Canada. It is a historic fact, and I need do no more than refer to it. At the time of Confederation the Maritimes were exceedingly prosperous, but Quebec and Ontario were the reverse.

Nova Scotia, New Brunswick and Prince Edward Island never desired to come into Confederation. The suggestion of it and the first, second and third requests for it, came from the Canadas. The leading men of the Maritimes prior to Confederation were Howe, Tilley, Tupper and some others. All those men were at the first opposed to Confederation. When the matter was put before the people of the Province of New Brunswick and a vote was taken, the people of that Province voted almost unanimously against it. The people of Nova Scotia never had an opportunity to vote on Confederation until after it was an accomplished fact. By considerable jockeying at the London conference, and by skilful manipulation on the part of one or two politicians who were in favour of the proposal, the people were deprived of the privilege of expressing their will until after the union had been brought about. The first opportunity that the people of Nova Scotia had to express their feelings occurred, I think, a year afterwards, when it was a live issue, and the result was that from the whole Province only one representative was returned who favoured Confederation. That Prince Edward Island was not in favour of it is clearly emphasized by the fact that Prince Edward Island did not enter at the time the other Provinces came in.

I mention these facts only because they all lead up to those things which I want particularly to place before you. There was at the time of Confederation a very strong feeling of distrust. The Maritimes had their trade relations established. They had at that time their natural market to the south and had many ships plying to all ports in Europe, wherever they could develop their trade. They were naturally suspicious of any union with the Provinces up here, because they felt that they were likely to lose the southern markets, to be dominated by the much larger population in the Upper Provinces, and to be deprived of the control of their own customs, and that they would not be able to make their own trade treaties. Prior to 1867, subject to the assent of the Imperial Parliament, the Maritime Provinces did make their own treaties.

I want to call attention to another fact which demonstrates very clearly the prosperity of the Maritime Provinces previous to 1867. I will take New Brunswick, because what I say about that Province applies to the others. The population of New Brunswick for the 37 years preceding Confederation, that is, from 1867 back, increased 300 per cent,—a very rapid increase in population. From 1867 down to the present time, that is 60 years, it has increased only 80 per cent. The increase preceding Confederation was six times what it has been since. While I cannot give you the figures for Nova Scotia I know they will tell the same story. That there has been a feeling of distress in the Maritime Provinces is clearly set forth in the report of this Royal Commission.

I have in my hand a very interesting letter written by the first member from Westmoreland County who sat in the Canadian Parliament in 1867. I think it was prophetic. I

have the document as written in the honourable gentleman's handwriting. The letter was as follows:

House of Commons,
Ottawa, Dec. 7th, 1867.

Amos Ogden, Esq.

Dear Sir,—The correspondents of the newspapers from our Province, keep you posted up as to our doings here.

It is lamentable to see how time and money are wasted. The daily expense must be upwards of $4,000, and yet the Government go on day after day doing little or nothing.

I am sorry to say that my convictions in relation to Confederation are confirmed from what I have seen and heard.

We are entirely overshadowed; everything is Canadian. You have seen the resolutions moved by the Government to bring in the Northwest Territories and buy up the Hudson Bay Company. This will involve the expenditure of millions of dollars.

What will the Confederates think now when this is the first measure of the Government, producing heavy taxation upon them without any benefit. We warned our country of this and other things, and it is surprising to see how rapidly our predictions are being verified. The Government told us that as we had the Railways expenditure they should have something in the West. I replied that the Railway was as much for their benefit as ours, and further the Railway was the price paid for Confederation and should form no charge against us, and that we began with a clean sheet, but all this is of no avail. The whole of Upper Canada unite together, whatever their difference in politics may be, to obtain grants of money. I knew this would be the case, and told the people so.

Kind regards to all friends, In haste.

Yours truly,

A. J. Smith.

I am not reading that in a critical manner, but I want to say that Mr. Smith was the first member who served from that section, and his letter shows just the feeling of dread that existed that the conditions under which they came into Confederation would not be carried out. He stresses two things there: the railway, which was built for the benefit of the rest of Canada, as it was for ours, and the tendency of Ontario and Quebec to override the smaller Provinces. That illustrates pretty clearly that after we came into Confederation there was a strong feeling of doubt that the conditions of Confederation would not be beneficial, or even give the Maritimes the opportunities they had before Confederation.

I have said that the Maritimes were never in favour of Confederation. The first vote was against it. I do not know whether the rest of Canada knows the reason why New Brunswick voted for Confederation. I fancy most of the people do not know: but had it not been for the Fenian Raid I doubt if Confederation would ever have been completed. It was that Raid that made it possible for Leonard Tilley—who later became Sir Leonard Tilley—to bring New Brunswick into Confederation. He had been defeated in a general election three years before, but we were scattered. The people up here had considered the Intercolonial Railway very largely as a troop-carrying road in case of war. The people down east at that time were afraid of the results of the Fenian Raid. The Fenians were on the border of Maine, between Maine and New Brunswick. Threats were made that they were coming over, and going to capture New Brunswick, and make that Province part of the American Union. So strong was the appeal made in the election, and so strong was the hold it had on the people, particularly on the St. John River and St. Croix River section, that they thought that by Confederation we would be a united people, and have the help of the people of the Upper Provinces in case of invasion or war. That was the reason which caused the vote in favour of Confederation in the Province of New Brunswick. It is interesting to know those things, because they all bring more clearly to our mind the adverse feeling that existed in all those Maritime Provinces previous to 1867 and later.

Now, the next subject on which I wish to speak is the railway situation. I want to say that this is one of the instances in which I think the Government might possibly go further than it has done in the 20 per cent reduction in freight rates. Every other part of Canada has had reductions when we have not had them. They have had compensation which we did not get, and this 20 per cent will only put us partly back to the condition we were in previous to 1912.

It is unfortunate that up to the present time the Government has not been able to make that 20 per cent reduction apply to products going into foreign countries. I hold in my hand a telegram which was sent to the Minister a few days ago from the New Brunswick Lumbermen's Association. It is as follows:

Saint John, N.B., April 5, 1927.

New Brunswick Lumbermen's Association strongly protests against reduction to United States points being left out of Maritime Freight Rates Bill. Lumber and wood products are the principle industry in this Province and it was a realization of the importance of this industry to these Provinces that prompted recommendations for modifications respecting International freight rates in Duncan Commission Report. Further united protest will be made if lumber and wood products are not given full benefit of recommendations made by Duncan Commission.

New Brunswick Lumbermen's Association.
W. E. Anderson,
Secretary.

As a matter of fact, about 80 or 90 per cent of the lumber products of the Maritime Provinces went into foreign countries last year; so that at least 80 per cent of the lumber products would not receive the benefit unless that 20 per cent applied to international shipments. That means a good deal, because last year alone—and 1926 was a very short season in the lumbering operations—the cut in the Province was less than it had been for a number of years, and yet it amounted to $24,000,000. Eighty per cent of that would be $20,000,000.

Hon. Mr. HUGHES: To what country does the lumber chiefly go?

Hon. Mr. BLACK: About 80 per cent went to the United States. The long-lumber industry is almost dead. A very large number of people had made prosperous communities and made money out of the production of long-lumber, but they had to close their mills, or were only able to carry on by the use of loans from the banks. If the honourable leader of this House can make some recommendations to the Government providing for that 20 per cent to apply to international shipments over the Canadian National Railways, he will certainly do great good for the Maritimes, and help to revive an industry which for years has been losing money, and is almost extinct.

I am aware that there are freight rate agreements between the various roads which make it impossible in a direct way to have this reduction apply to United States points, but there are other ways of doing it. I am satisfied that the Railway Commission, if their ingenuity is exercised along that line, can find means for doing this, and I would be very glad, when the opportunity offers, to make some suggestions which I believe would be practicable in carrying out this idea.

Referring to a statement made to me a few days ago that we were being given something unearned in the way of railway rates, I want to go back and tell briefly what happened to our Maritime railway rates. The Intercolonial Railway was not built by the Dominion. Part of it was built by the Province of Nova Scotia, part by the Province of New Brunswick, and most of the rest by a grant direct from the Imperial Government. New Brunswick and Nova Scotia handed to Canada the roads that they had, but there were certain debts in the way of debentures. The Provinces assumed liability for those outstanding bonds and debentures for the roads built in those Provinces.

All the roads which are being built west of the Great Lakes have been built with money supplied by the people of the rest of Canada. Is there any reason why the outstanding liabilities that existed in 1867 on those two roads partly built by New Brunswick and Nova Scotia should not be assumed by the rest of Canada? There is none that I know of. Is there any reason why the Valley Railway, built by the Province of New Brunswick, should not be assumed by the rest of Canada? Only in this Session of Parliament $20,000,000 and more have been voted for new roads in the West, and since I have come into this Parliament about $180,000,000 have been voted for branch roads and the development of railways in Western Canada; yet up to the present the Government has declined to take over the Valley Railway in New Brunswick, which, under more than an implied agreement, the Dominion should have taken over some years ago.

I am making these arguments not by way of complaint, but in order that honourable gentlemen may see the justice of the case that has been put up by the Maritime Provinces, the justification of which is so clearly set forth and exemplified in this report.

I want to call attention to another fact that is well known. The Intercolonial Railway was built as a communicating road which would be safe at all times; it could not be easily attacked either by land or water by a foreign country. It was built as far as possible from the American border on the one side, and built inland on the other, so that it could not be raided by land or sea. Because of those conditions the British Government made a very large contribution to it, and for the same reason we built 250 miles more of road than should have been built had the most direct route been chosen. That 250 miles would have been cut off if the road had gone from Halifax through Moncton, Edmundston and Rivière-du-Loup, and so on. Consequently the road which was carrying freight 250 miles further every time it went up and down between the Provinces would lose money, whereas if those 250 miles had been cut off it would have made money. Nevertheless up to the time that the Intercolonial was amalgamated with the other railways of Canada the total loss on the operation of those roads was only $6,000,000, not a very large amount.

The first increase in freight rates, 10 per cent, came in 1913. That was when they began to absorb our railway system into the general Canadian National Railway System. In July, 1915, there was a 5 per cent increase on the Intercolonial, which did not apply to any other part of Canada, and in November, 1915, an additional 5 per cent. Therefore between 1913 and 1915 there was a 20 per cent

increase on the Intercolonial, whereas there was no increase on any other railway controlled by the Government of Canada in any other part of the Dominion. In 1916 the Railway Commission made an increase of 5 per cent east of Port Arthur, but there was no increase made west of Port Arthur. In March, 1918, there was a 15 per cent increase; and again in August, 1918, there was a 25 per cent increase in the Canadian National rates, including the Intercolonial, but when it got west of Ontario the increase was cut down to 15 per cent. In September, 1920, there was a 40 per cent increase, but of that, 5 per cent was higher in the East than in the West. Altogether there was a total increase of 105 per cent over the Intercolonial part of the road, and about 85 per cent on the roads in Western Canada.

Hon. Mr. COPP: In what years was that?

Hon. Mr. BLACK: From 1913 to 1920 the total increase was 105 per cent on the Eastern lines, and 85 per cent on the Western lines—that is, within 1 or 2 per cent; I am using round figures. Then in 1921 there was a reduction of 30 per cent West and 35 per cent East. They reduced the East more because of the discrepancy earlier. But after these reductions were made there was still a net increase of 70 per cent on the Eastern roads and 55 per cent on the Western roads west of the Lakes.

So far as East and West are concerned, there is no discrimination against the West. We are glad to see the West get all that is coming to them. But we want, if possible, to have the people of the West appreciate the fact that in the past the Maritime Provinces have not been getting what was their just due. That is all we claim. We believe that if the people understand and appreciate the situation they will realize the justice of the recommendations set forth in this Duncan Report.

I have not referred to the Duncan Report where it goes back to the Flemming Report as to the building of the Intercolonial Railway, showing why it is longer than it should have been under ordinary conditions. The report makes the recommendation as to freight rates, but you have all read it, and I will only ask you to read it again after the few remarks I have made, and you will find it very applicable to the situation in the Maritime Provinces.

I want now to speak very briefly of subsidies. The increased subsidies which are proposed to be granted to the Maritime Provinces should have been granted long ago. Corresponding subsidies have been given to every other part of Canada, but nothing has been done to compensate the Maritime Provinces.

I have told you of the prosperous condition of the Maritime Provinces preceding Confederation, and why they did not continue to develop after Confederation. It is a fact that previous to Confederation we had our own industries and our own banks, four or five of them, right in Nova Scotia—the Halifax Bank, the Bank of Nova Scotia, the Maritime Bank, and the Merchants Bank of Halifax, and one or two other financial institutions of a similar nature doing the same kind of business. All those banks were looking after the needs of the people of the Maritime Provinces. They were in touch with business; they were in touch with the individuals; they knew who their clients were. For the last fifteen years we have been suffering very greatly from absentee landlords. After Confederation we were shut off from our normal markets, and had to look very largely to Canada and Great Britain for our markets. Our area was restricted. We had the Atlantic on one side and the Province of Quebec on the other. We came up here looking for markets, and you, with your larger population and greater resources, naturally enough started to absorb the business of the smaller country. The banks began to amalgamate. The Royal Bank of Canada absorbed two or three smaller banks, and the head office was moved to Montreal; the Bank of Nova Scotia bought up one or two more banks, and the head office was moved to Toronto; the Bank of Commerce absorbed another bank; still others failed; and to-day, while the general managers of the three greatest banks in Canada are Maritime Province men, not one of those banks has its head office in the Maritime Provinces.

The same thing applies to the car-building industry. We had a very flourishing industry at Amherst, in Nova Scotia. That company was amalgamated with the Canada Car Works, with the result that the activities of the company were moved to Montreal, and to-day they are not turning a wheel in Amherst. We had cotton mills of our own, one at Fredericton, on the St. John River, and one on the St. Croix. To-day they are operated by absentee landlords. We had sugar refineries. To-day they are controlled in Montreal. A few years ago we had many prosperous coal fields in Nova Scotia, we had two steel industries that were doing well. To-day they are in part closed because they were amalgamated with other companies, and the management was moved from the Maritime Provinces to Montreal.

Because of the conditions of Confederation our industries have been absorbed by the larger Provinces, and the Provinces by the sea have suffered. I do not say that is not the natural course of trade. The present financial system has resulted in combinations and developments of that kind the world over. I am not finding any fault with that. But it is lamentable.

I would like to bring to the attention of this House, and I hope to the attention of others as well, another reason why the Maritimes are in a very depressed condition; a reason why they are entitled to justice in so far as freight rates and subsidies are concerned. Justice is all that we have been asking; justice is all that is recommended in the Duncan Report. From Confederation up to 1912 the Intercolonial Railway was run as it ought to have been run, from the Maritime standpoint, and for the first seven years after Confederation the canal system was run as it ought to have been run. The cost of the Intercolonial was about the same as the cost of the canal system at that date; and just as the canals were the means by which Quebec and Ontario could communicate with each other and with the sea, so was the Intercolonial to be the means whereby the Maritime Provinces could communicate with Quebec and Ontario. Seven years after Confederation some member of the House of Commons moved that the tolls on the canals should be abolished. I think that at that time the members from the Maritime Provinces, who consented to the abolition of the tolls on the canals, should have said: "We are quite willing to do anything which will help your trade or the development of the natural resources of the country, but at the same time you should be willing to do the same for us." They had an absolute right at that time to say to the rest of Canada that in compensation for the abolition of tolls on the canals, for the upkeep of which we were helping to pay, a corresponding reduction should be made in freight rates on the Intercolonial, or, failing that, that a yearly subsidy should be paid which would be sufficient to make up the loss which the Maritimes would naturally sustain. That is a fair proposition. I do not think anybody could find any fault with it. Yet the opportunity was allowed to go by, and the upper Provinces got the benefit of free canals, but nothing was given to the Maritimes to offset that concession.

In order to show the absolute justice of the increased subsidy to the Maritime Provinces. I wish to draw attention to another matter. When Confederation was consummated, the limits of the Provinces were designated. The great North West belonged to the Crown, and there were the vast areas of Northern Ontario and Northern Quebec in which we, as participants in Confederation, had exactly the same right to share as any other part of Canada. We could not avail ourselves of Northern Ontario or Northern Quebec, because we were not adjacent to those areas; therefore, naturally, when it was decided to bring them in as part of the Provinces they were added, part to the Province of Ontario and part to the Province of Quebec.

Two years ago that portion of Northern Ontario which was added after Confederation was estimated to be worth $80,000,000. That amount was practically taken out of the common purse of the Dominion of Canada and given to the Province of Ontario. Eighty million dollars at 5 per cent would amount to $4,000,000 a year. Could any man from the Province of Ontario object to paying the Province of Nova Scotia $875,000 a year in three subsidies, when by an Act of generosity such as I have mentioned Ontario was to receive an increased subsidy of $4,000,000 or more a year? That portion of the public domain which was added to the Province of Quebec is one of the most valuable mineral belts in the world. Two years ago its estimated value was $70,000,000, which at 5 per cent amounts to $3,500,000 a year of a direct subsidy by Canada to that Province. Do you think that any honourable member from that Province, in view of the circumstances, can object now to giving to the Province of New Brunswick $600,000 a year? These things, honourable gentlemen, separate and apart altogether from the basis of population, bring to your attention the absolute justice of greater subsidies to the Maritime Provinces. That is the keynote of the recommendations in the Duncan Report.

But there is an additional justification which I want the people of Ontario and Quebec and the West to keep clearly in mind, if it should occur to them for one moment that the rest of the Provinces are giving the Maritime Provinces anything to which they are not honestly and justly entitled. Some people from the West may say: "Well, Ontario may have got a lot, and Quebec may have got a lot; but we have not got anything." I do not think that is the spirit of the West at all. The West is a growing country, and the people are optimistic and, as has been demonstrated in this House during the last three or four years, they want to get all they can. Nevertheless, I believe they are reasonable when they know the facts of the case.

I have referred to freight rates, which are mentioned at page 22, I think, of the Duncan Report. I desire also to refer to page 16, which relates to subsides, so that the West may not think that we are getting a subsidy to which we are not entitled.

The burden of the case made in the Maritime Provinces, in respect of public debt allowances, fines itself down to a very definite point. The greater part of their public debt of the time of Confederation represented railway construction costs, and although the Dominion took over as their property "railways, and railway stocks, mortgages and other debts due by railway companies", they charged against the Provincial debt allowance the bonds of the Provinces issued for railway purposes then outstanding.

That, I think should never have been done.

The Maritime Provinces were, in this regard, dealt with no differently from other Provinces, until the Western Provinces were constituted. In the case of the Western Provinces a debt allowance was fixed on the same basis of amount as for the other Provinces, but not, in their case, on the basis of assets which were to be transferred to the Dominion, for they had no assets. So that, in fact, a new principle was imported into the conception of public debt allowances. The Maritime Provinces argue that they are, as from the date of that change in principle, entitled to have that portion of their public debt, which attached to assets taken over by the Dominion, eliminated in determining the extent to which the debt allowance originally given to them should bear a reduction.

The following table shows the payments made in respect of interest on debt allowance to the Maritime Provinces, and to the Western Provinces, for the financial year 1924-25:—

New Brunswick	$ 26,464 96
Manitoba	381,584 18
Nova Scotia	52,784 07
Alberta	405,375 00
Prince Edward Island	38,789 58
Saskatchewan	405,375 00

The Report of the Commissioners goes on to say that they find the contention of the Maritime Provinces to be substantiated.

Hon. Mr. WILLOUGHBY: May I ask the honourable gentleman a question? I am entirely in sympathy with the Report, but there is a statement in the Report, and it has been made elsewhere, that the Western Provinces got large land grants. The creation of those Provinces carried with it, by implication, under the law and the constitution the grant of lands and natural resources.

Hon. Mr. BLACK: That does not affect the argument in any way. I have not said that you had any grant to which you were not entitled. You got only the land set out at the time the Provinces were established.

Hon. Mr. McMEANS: We did not get the land at all.

Hon. Mr. BLACK: Alberta controls the land.

Hon. Mr. WILLOUGHBY: They got money. They should have had the lands.

Hon. Mr. BLACK: Neither of those arguments at all affects my argument that in getting a subsidy the Maritime Provinces are now getting what the other Provinces got. The Report does not say a word about the land grant. It speaks of the cash payment.

Hon. Mr. WILLOUGHBY: A cash payment in lieu of the lands. That is the difficulty.

Hon. Mr. McMEANS: As I understand it, we got a cash allowance for carrying on the government; but we got no natural resources at all. Nova Scotia got its natural resources.

Hon. Mr. BLACK: I am sorry, but I do not think the argument of the honourable gentleman is germane to the question at all. I have not referred to that. When the Western Provinces were created they had no assets, and for that reason they did get very large grants.

Hon. Mr. McMEANS: Oh, no.

Hon. Mr. DANIEL: They had a debt allowance, but no assets to show for it.

Hon. Mr. McMEANS: When the Western Provinces, were created they were surely entitled to all the natural resources within their territorial boundaries; but the people of the East, including the Maritime Provinces, claimed that they owned the natural resources that we say should have gone to Alberta, Saskatchewan, and Manitoba. I am not unsympathetic towards the argument of my honourable friend, but I want to point out that not one of the Maritime Provinces was deprived of its natural resources.

Hon. Mr. HUGHES: Is it not a fact that when the provinces of Alberta and Saskatchewan were created they were offered subsidies or natural resources, whichever they preferred, and that they took the subsidies in lieu of land?

Hon. Mr. BLACK: If the honourable gentleman will allow me, I would like to go on with the argument.

Hon. Mr. HUGHES: I beg your pardon.

Hon. Mr. BLACK: These arguments do not touch what I say, and really do not refer to any of my remarks, and I think honourable gentlemen should allow me to complete my argument.

I want to see the West get all that is coming to it, within reason; at the same time I want the Provinces of the West to take a sympathetic attitude and to realize that we are now getting only what we should have

got before, and that it is no more than we are justly, legally and constitutionally entitled to get. In addition to the advantages I have already mentioned, the Western Provinces got a concession in freight rates in the Crows Nest Pass agreement, and that is the greatest concession by way of a rate reduction that I know of on the North American continent. It is always well to bear that in mind.

Then, since the West is before us there are other things that I might mention. The West is constantly getting subsidies, although they are not called by that name, and in considering Maritime claims Westerners should remember that votes are constantly being made in favour of the West, and they should be called what they really are—subsidies. Only this session we have had before us a Bill with regard to payments for seed grain and fodder. Are not those things subsidies? Clearly they are, and very substantial ones. There is some $7,000,000 outstanding which, according to the evidence given before a Committee of the House, will never come back to us. Subsidies of that kind have been granted not once or twice, but at least five times in the last 22 years. I am glad the West has got that assistance, because it has needed it; and I am glad that the people who were suffering from the loss of their crops and seed were helped, because they deserved it. We in the East want the people of the West to take the same attitude towards us, and to say that we are now getting only a portion of what we have deserved for a long time. We base our claim simply and solely on the justice and right of the cause of the Maritimes.

I may say to you, honourable gentleman, that there has always been a very strong feeling in the Maritime Provinces against Confederation. That feeling has been minimized, but it has never been allayed. We all try to minimize it, but there is not an honourable gentleman who has been a member of this House for five years who does not know that this feeling is alive yet, and that it is seething in one Province at least. But we do not want to see that feeling develop, and you do not want to see it. As good Canadians, as loyal British subjects, we want to do everything in our power to unite the Provinces from the Atlantic to the Pacific, and to make them one harmonious whole, so that they will go forward in increasing prosperity. You will bring it about only by giving due consideration to the rights of the Maritime Provinces and to the recommendations of this Duncan Report, and by saying to yourselves and your constituents, from one end of this country to the other, that in the recommendations laid down in that report the people of the Maritime Provinces are receiving not a single gift, but only, in part that measure of justice to which they are entitled, and if right had been done it would have been given them years before this.

I have a great deal more I would like to say, but time is passing and I will not proceed further. That, in brief, is my plea for fair consideration of the rights embodied in this report on behalf of the Maritimes. I congratulate the Government and the honourable leader in this House in so far as they have gone. I do implore the honourable leader of the Government to place before his colleagues the absolute necessity of implementing the 20 per cent reduction in the freight rate, by making it applicable to international freight. That can be done, notwithstanding what has been said up to the present. I further ask that the Saint John Valley Railway, for which to a large extent the Government of Canada is obligated, be taken over. The Provinces by the sea obtain in that agreement only the same measure of justice as has been meted out, day by day, this Session, last Session, and the Session before, to all the other parts of Canada.

Hon. J. S. McLENNAN: Honourable gentlemen, although in the main I agree with my honourable friend who has just taken his seat, there is a sufficient difference between our views on this question, or some phases of it, to justify me in calling attention to certain features and interpreting certain events which have happened in the last fifty or sixty years. I do not intend to speak at great length, and I hope that you will feel, when I have finished, that I am justified in these remarks.

The misfortune about all discussion on such matters is that we talk of economic laws, and there is an idea more or less fixed in the minds of the layman, anyway, that these so-called laws can be changed by some body or other. The fact is that what are referred to as economic laws are really economic and social forces which produce results and which cannot be stopped, but may be deflected by the impinging on them of other economic forces, strong enough to alter the result. It cannot be altered by anything that any body of men can do.

First of all, I think that a true understanding or interpretation of this whole matter ought to rest upon the realization by the people of the rest of Canada, and by the people of the Maritimes themselves, that no part of Canada, and perhaps no other part of the world, has suffered so many vicissitudes in

regard to the factors that affect material prosperity as have the Maritime Provinces of Canada. What was their condition when they entered Confederation? They were possibly a little over-weighted by too many legislatures and too much expense in carrying on business, but they were compact communities, with an economic and social system which was quite adequate. Unfortunately, the whole trend of their trade, almost from the time that their trade began, was with the United States, or rather with New England, and not with Canada.

Confederation diverted all that. The building of the railway altered the whole system. The greatest feature of the condition of the people of the Maritimes was that they were among the most remarkable ship-owning, ship-building and ship-sailing people that have been known, possibly since the Phoenicians. At the time of Confederation, and for many generations, perhaps centuries, previously, Great Britain had been the great ship-owning and ocean-transport country of the world; yet for every seven tons of shipping that Great Britain owned, the Maritime Provinces of Canada owned one ton. In the sixties, when the Reciprocity Treaty with the United States was in effect, there was, I understand, something like 60 per cent of the shipping at New England ports carried in bottoms belonging to the citizens of the Maritime Provinces. From Yarmouth to Sydney there were ships, and good ships, being built. Incidentally I may say that if any honourable member wants an interesting book on one phase of the development of Canada, let him take the volume. "Wooden Ships and Iron Men," and he will see all the splendour and the fine achievement of the people of the Maritime Provinces of that time. That shipping, through economic causes, through the change from wood to steel, from sail to steam, gradually, in the course of about ten years, faded away. Shipping was a great industry, the predominant industry, at that time. If there was lumbering, a great deal of the lumber went into ships to provide cargoes for shipping. If there was fishing it provided cargoes for the Nova Scotian schooner to take to the West Indies, or to Spain, Portugal or some Mediterranean port. Practically all that shipping, in the course of ten years, disappeared, or, at all events became unprofitable. It was not because of any deficiency in the ship-owners or ship-builders in Nova Scotia or the Maritimes. The ship-building of New England went through exactly the same process. When the people of New England wanted to build a ship that would surpass all others as a clipper, they sent to Pictou County and brought Donald MacKay to Boston to build the Sovereign; and when they wanted to build a fast yacht they came to Cape Breton and brought the Lawley family to Boston. The gradual decrease in shipping was not the fault of the Maritimes. It was a universal trend.

You can realize what would be the condition in the West if, through some remarkable cause—so remarkable that it strains the imagination—the demand for hard wheat gradually faded away. Nova Scotia went through that almost immediately after Confederation. That Province had been carrying on a remarkably prosperous trade on account of New England being engaged in war, Nova Scotia was selling food, or doing the carrying. That stopped after the abrogation of the Reciprocity Treaty. Moreover, a great part of New England was supplied with coal from Nova Scotia through those same years. One knows how important a coal industry is in a coal district; it is the main part of everything that goes on there; all other industries are subsidiary and incidental to it. That was suddenly cut off by a duty of $1.25 a ton—an absolutely prohibitive duty. Those who come from Quebec, from the Eastern Townships, realize what a tremendous handicap that is, and how it disarranges economics all over the district, as shown by the embargo put on the export of cream to the United States.

Hon. Mr. WILLOUGHBY: The recent embargo?

Hon. Mr. McLENNAN: Yes; the valuable trade on which the whole community depended was suddenly stopped. That will give some idea of what happened in 1868. It took a year or two, but gradually the coal trade faded away to nothing. That was another difficulty that the Maritime Provinces had to put up with: it was a blow in the solar plexus, and they had two of them, one after the other.

Hon. Mr. BEIQUE: The coal export fell off?

Hon. Mr. McLENNAN: Enormously, particularly during the American Civil War, and also, concurrently with that, there came the development of the West Virginia and Cumberland coal fields about that time, and they got rail communication to the seaboard, which made it very easy for them to displace our coal in the New England market.

As a proof of what went on then, remember that the first Atlantic Steamship line was established by a citizen of Halifax, which was on the regular route to Liverpool before New York was. Perhaps that demands further explanation. It was Samuel Cunard, who was

a Halifax trader and merchant, who founded the Cunard Line of steamers. The first terminus was Boston, and it was only afterwards that they moved to New York and made that the principal port.

Yet through all this time the Maritimes were doing important things. New Brunswick claims, I think with justice, that one of her residents was the inventor of the compound steam engine, and that the first one was made in Flemming's works in St. John.

Our coal trade finally succeeded, with no excessive amount of encouragement from the Dominion. Little by little we grew from two or three hundred thousand tons sent to the St. Lawrence market, to 2,000,000 tons. Halifax had a dream of making sugar, which was finally realized, and that industry has succeeded. There were failures in oil, and again in gold mining, but still business went on, and there were firms whose names and goods are known all over the continent. The Maritime Provinces are naturally at less disadvantage in the western markets in goods those firms produce, of high value in proportion to their bulk. Thus we have confectionary, chocolates, wearing apparel and stoves going from the Maritimes and competing successfully with the rest of the country.

Occasionally the Maritimes have suffered by their own success. Two persons, Mr. Rhodes and Mr. Gurry—the latter our colleague—started a good many years ago in a very small way in Amherst, building houses; they finally established a great car-building business, which finally came into the Canada Car & Foundry Company. That was inevitable, and it went farther west to Montreal, nearer the source of demand. But that was hard on Amherst, as it would be hard on any place to have industries leave. More than that, two of the principal banks originated in Nova Scotia, showing that there was ability there, and resources for which there was not a large enough field, and little by little they achieved a position which was to the utmost credit of Nova Scotia, and a benefit to Canada.

With all these changes in shipping, in markets, in the conditions of New England, and so on, it might fairly be asked, "If people have done so well in those various ways, why could they not do better?" But our industries were small, and everybody knows that overhead is the tremendous bugbear of small businesses. For example, in figuring on steel products for the South American market it would be necessary to make close examination and trial shipments which, if done properly, would cost a formidable sum to a small Canadian company, whereas to a large competitor like the United States Steel Company such trial shipment and examination would mean only a decimal of one per cent. So it goes on down, and there is less and less chance for the small company to get capital, or even to take risks which the larger company could do with impunity, and make profit for themselves. That is one thing that has kept back the development of the Maritimes.

Another thing to be mentioned is that the glittering successes have been outside the Maritimes—in the West, in Montreal and elsewhere, and though people in the East have been enterprising, their ventures have often been failures, or very modest successes. Let us hope that the new conditions that are developing through freight rates and the other features of this report will make for early success, which will mean a great deal.

Many of us remember the general feeling of discouragement throughout Canada in the later eighties. We found, when we went abroad, a feeling that Canada was a doubtful country in which to invest money. The Grand Trunk and other investments had not been conspicuously successful, but when the Canadian Pacific Railway demonstrated that it was a great success financially the outside world changed its opinion of Canada, and it became infinitely easier to get money for any reasonable enterprise that was started here. Indeed, while the money held out in Europe, we were possibly able to borrow almost too easily, until the war. Then the relations between the Dominion and the Provinces have had a great deal to do with creating these feelings of disappointment or irritation that existed, and the political situation rather than the economic one was the beast with the broadest back which might be beaten with the cudgels, for various phases of disappointment for which nobody was to blame, and certainly not the energy or intelligence or industry of the people of the Maritimes.

Hon. Mr. BEIQUE: I have been very much interested in the account given by the honourable gentleman of some of the industries, and the effect that Confederation may have had on them. I would like him to speak as to mining and fishing and agriculture. Did Confederation interfere with the progress in any of those industries?

Hon. Mr. McLENNAN: Well, in agriculture, nobody ever thought very seriously of the Maritime Provinces. To-day I ran over the kind of grain that would be expected in the Maritimes; the coarser grains.

Hon. Mr. BEIQUE: Grain and cattle?

Hon. Mr. McLENNAN: Yes. I have nothing on hand about cattle. But I find some figures in regard to oats. The average yield for Canada was 34.80 bushels. In the Maritime Provinces the averages were 34.59, 34.24, 34.56—fully up to the average. Quebec and Saskatchewan were well beyond anything in the Maritimes.

Coming to potatoes, Quebec produced 104 bushels, and was the highest outside the Maritimes; but Prince Edward Island was 87, Nova Scotia 105 and New Brunswick 111 bushels.

In hay and clover the average over Canada was 1.37 tons per acre; Nova Scotia was well above that, with 1.67 tons. In turnips the average over Canada was 189 bushels; the highest yield outside the Maritimes was 204; in the Maritimes, Prince Edward Island was 263, Nova Scotia 236, and New Brunswick 184 bushels—which shows that results in agriculture, in yield per acre of things which are at all suitable, are not by any means discreditable to the enterprise and capacity of the Maritime farmers.

I had intended to make a comparison between the Maritimes and the adjoining States of the same character—New Hampshire, Vermont and Maine. I did so in 1923, and I would ask to put them again on Hansard, to spare your ears:

Extract from Senate Hansard of May 22nd, 1923, pages 659 to 660.

I made the comparison, first of all, covering the 60 years from 1860 to 1920. During those years the State of Maine increased from 628,279 to 768,014 or 22 per cent. New Hampshire increased from 326,073 to 443,083, or 35 per cent. Vermont increased from 315,098 to 352,428, or only 12 per cent. Take our own Provinces, with which I have been making the comparison. Nova Scotia increased by 192,980 in that period, or 59 per cent. New Brunswick increased by 135,829, or 53 per cent. So that it is perfectly evident that during that whole period the rate of growth of population in the Provinces compared very much more than favourably with the growth of those corresponding States, which are contiguous, and most like the Provinces with which I compared them.

Then, 60 years being a long period, I took a shorter period, namely, from the beginning of the century to 1920, and found that in those twenty years our two Provinces had increased by 121,019, or 15 per cent. I took the three States again for the corresponding periods, and found that they had increased by 113,830, or 7½ per cent, the United States increase being just half of our Canadian Provinces. We had increased 121,000 in a total population of 911,000, which was a vastly greater increase than that of the three American States—113,000 in a population of 1,500,000.

I find that our Provinces doubled the value of their agricultural lands and buildings—that in farm implements and machinery they increased from $6,871,000 to $13,357,000, or more than doubled; that in field crops, though we have always felt that agriculture was not our strong point, our actual increase in value was from $18,158,000 to $73,500,000, which is four times. I find that in these States their field crops increased from $63,000,000 to $171,000,000, which is less than three times.

When we came to manufactures, which do not include mining, I find that their value in our Province in 1901 was $44,564,000, and in 1921 $276,964,000, an increase of over six times. Taking the corresponding figures in those three States, which abut on our Provinces—Maine, New Hampshire and Vermont—their increase was from $303,000,000 to $1,032,000,000—only three times.

. . . . . .

I find again, that they have the same troubles of which we complain. Those three States have lost living inhabitants, mostly to other parts of the Union, 294,699; and had there not been nearly 243,799 new people come into those States, their condition would have been very different.

Then there is another thing that has to do with what I think is a misconception which has been one of the irritating and depressing things in the Maritimes. I take the figures of Prince Edward Island, because it is the most homogeneous of those Provinces, and stands as a good example, as it has one uniform industry, so to speak. In 1901 the population of Prince Edward Island was 103,000. The value of the farms and their appurtenances was $30,626,000; the farm products that year, $7,467,000. By 1921 the population had fallen to 88,000; that is, 15,000 people had disappeared, gone away; but the farm values had risen to $58,977,000; the value of the products was $21,431,000. In other words, in 1901 the value of the farms and their appurtenances was $296 per head of the population of the whole Island, and the value of the products was $72.50 per head of the whole population; but in 1921, with 15,000 fewer people, and a greater production, the farm value was $670 per head—three times as much—and the annual product was $243—which again was rather more than three times as much. This shows that a stationary population, or even a receding one, is by no means a proof of a country going behind.

It seems to me there are two things which make for the general prosperity of a country in so far as that is affected by the character of its people. One is, whether they are pertinaceous, whether they stick at their job. The peasantry of Europe as a whole have that characteristic, and our French Canadian people delight in subduing the soil and making it fruitful, which is an extraordinarily fine element for any country.

The other thing that spurs people on is the hope of rapid and glittering success. People take great risks in hopes of securing

great rewards. We have not had that spur in the Maritime Provinces. I hope it will come. I think that what has been done will help towards it, and that as a result the people of the Maritime Provinces will work together and will think a little less about political divisions. I feel that our people are too keen about politics. I hope that we shall get help from outside, from banking agencies and others, to strengthen the impulse to go on which I think the Maritimes should now have. There is a great deal more money in the Maritime Provinces than people ordinarily think. A great deal of it has been invested in the United States and in other places; and I am told that, as I suppose will always be the case, many millions have gone on margins, which will never come back.

I would call the attention of the honourable leader of the Government to what he said about looking into the domestic fuel problem, and also to the memorandum referred to in the Duncan Report, which the Prime Minister said the other day was being printed, and which I presume will be distributed.

Hon. J. J. HUGHES: Honourable gentlemen, I deem it to be my duty to say a few words on this question while it is before the House. First and foremost I wish to call the attention of the honourable the senior member for Ottawa (Hon. Mr. Belcourt) to a few remarks that were made when this question was spoken to, I think on Friday last. The honourable gentlemen said that he intended to vote for the Bill, that he approved of the legislation; then he went on to say that he disapproved very strongly of any change in the British North America Act or any infringement or weakening of the provisions of that Act. I cannot for the life of me see how the implementing of the recommendations of the Duncan Commission can interfere in any way with the British North America Act. The honourable member for Ottawa is an intenlligent man, a very logical man, and an able lawyer, and it may be that I am not able to follow his reasoning. He may see something in this that I cannot comprehend; but what I have stated gives my view of the matter.

I agree with much that has been said by the honourable member for Sackville (Hon. Mr. Black). I agree with him that it would be very unfortunate if the people of the Central and Western Provinces were to get the impression that the implementation of the recommendations of the Duncan Commission would be extending to the Maritime Provinces a special privilege, and that in return they should receive a quid pro quo. I agree with the honourable gentdeman in saying that what has been recommended by the Duncan Commission is long overdue, and I will try to prove the truth of that statement. But I go further. I say that while the implementation of those recommendations will help the Maritime Provinces very considerably it will not by any means cure the ills or remove the disadvantages under which we labour. No matter what reductions may be made in the freight rates, they will not provide a market for the Maritime Provinces in the Central Provinces.

When the Maritime Provinces entered confederation the people of those provinces who were prominent in the negotiations believed that a market could be found for much of our products in the Central Provinces. That might have been a natural belief at that time; but facts have since demonstrated that it was entirely fallacious. There has never been a market in the Central Provinces for the Provinces by the sea, and in all human probability there never will be. The natural market for the Maritime Provinces is in the New England States and in Old England, and the grievances and the disadvantages of those Provinces arise from the fact that according to Parliamentary law we are pledged to buy what we need, or a large proportion of what we need, in a protected market; and by a natural law, to sell our products in the markets of the world.

There is the situation. There is nothing that we produce in the Maritime Provinces, except coal and fish, that is not abundantly produced in the Central Provinces, and it is an economic question whether that coal can be sold at a profit in the Central Provinces. It cannot be sold, I understand, in competition with American coal and pay the cost of hauling it. Whether it would be wise for the whole of Canada to bear the cost is another question.

There is no market in the Central Provinces for any large quantity of fish. About two years ago I went into that question pretty thoroughly, and I discovered that we sold to the Central Provinces only about 4½ per cent of our fish, and that that was sufficient to supply the market. I was informed by the wholesale fish houses in Montreal that they imported a good deal less than 1 per cent of their fish from the Boston market. In other words, we caught enough fish in the Maritime Provinces in two weeks to supply the Central Canada market for 52 weeks, and consequently had to sell the fish that we caught during the other 50 weeks wherever we could find a market; and there being no other market, we sold them in the United States.

There is no other market for our lumber, our sheep and lambs, our potatoes, our poultry, and, to a large extent, our poultry products, than the United States. We sell our hogs and hog products in Old England. We sell our cheese and butter there. These are our products; these are the things we have to sell.

I do not want to raise an argument on the principle of protection, but I want to state facts. When the principle of protection was introduced into Canada in 1879, the first handicap was placed upon the people of the Maritime Provinces. Protection was no advantage to the Maritimes; it could be no advantage to the Maritimes. That was a most important factor in the transference of our industries to the Central Provinces. As a natural result the banks and financial institutions followed.

But the greatest blow of all was struck when reciprocity was turned down in 1911. That is my answer to my honourable friend from De Salaberry (Hon. Mr. Beique), who asked a question somewhat like this: "What disadvantage was Confederation to the Maritime Provinces or to the industries of the Maritime Provinces?" If the principle of reciprocity had been carried into effect, it would have been of no disadvantage whatever to the manufacturers of the Central Provinces. They might have feared that later on it would be. As a result of their action our natural market, the only market we ever had or ever will have for many of our products, was denied to us. That is the disadvantage that was placed upon us. Our own people were led astray.

Hon. Mr. BELCOURT: And they are still voting wrong.

Hon. Mr. HUGHES: And they are still voting wrong. That is the strange part of it. But there it is. There is no man living who can deny these statements. Why, even my good friend from Sackville (Hon. Mr. Black) admitted the statement in part when he said that 80 or 90 per cent of our lumber was sold in the United States. I happen to be connected with a company that deals in fish. The year before last we caught in Prince Edward Island just about two and a half million pounds of fish, every pound of which was sold in the United States. And do you know, honourable gentlemen, that the duty on fish is 1¼ cents a pound, and that about a cent a pound is paid to the fishermen? The fish lose about one-third in weight in curing, so the duty is nearly 100 per cent. When fishing is good, a cent a pound or a cent and a quarter a pound will give the fishermen remuneration enough to induce them to continue in the business; in fact, in a good year they will put by a little money; but in ordinary years or poor years they cannot get enough to keep them alive, and last year they had to give up the business.

The same is true of almost everything else. In Prince Edward Island we are producing potatoes to a very large extent. That is the best and most profitable crop we can produce. We think this will continue to be the case, because we are producing for seed purposes, and because the record of the United States goes to show that they do not put duties upon seed animals or seed vegetables or seed grain or anything that they really want to produce themselves. But if they should change their mind and put a very heavy duty on potatoes, it would kill our trade, and practically we would not know what to do. We are now making good money. Some of our young men are coming back from the United States to take up land that they had abandoned, and are going into potato growing, because it is profitable, and because there is available to them an almost unlimited market in that immense country to the south of us.

While the carrying out of the recommendations of the Duncan report will help the Maritime Provinces much, it will not remove the fundamental disadvantages under which we labour. We may carry on. The United States may not increase their duty; they may not drive us out of their market, and if they do not, we can live. If they do increase the duties, we cannot live. There is no use blinking facts. We shall have to worry along under tremendous difficulty.

Now, that is the situation. I dislike very much to introduce a discussion on the tariff, or to introduce any contentious subject, but in my opinion there is no country in the civilized world where the principle of protection can do such much harm as in the Dominion of Canada, because of its geographical position, because of the sameness of its production, and because of the immense difficulties of transportation. There is no country in the civilized world where the principle of protection can do less harm than in the United States, because of its homogeneity, because of its great variety of soil and climate, and because of the immense variety of its production; yet protection is driving the farmer of the Western States to desperation. That is its effect even in that country, where they have an immense home market. I know honourable gentlemen will not agree with me in all these matters, but I am stating the facts in regard to the Maritime Provinces, and I know the situation well.

Hon. Mr. BELCOURT: That is a good gospel to preach down there.

Hon. Mr. HUGHES: It is a good gospel to preach anywhere. The multiplication table is good mathematics in any part of the world, and this is as sound as the multiplication table.

Hon. Mr. McMEANS: Before the honourable gentleman sits down, may I be permitted to ask him a question?

Hon. Mr. HUGHES: Certainly.

Hon. Mr. McMEANS: He is very strongly denouncing the principle of protection, although he does not desire to introduce it.

Hon. Mr. HUGHES: Well, I cannot help that.

Hon. Mr. McMEANS: I am afraid not. I quite agree with the honourable gentleman. Now let us take these products of which he speaks.

Hon. Mr. HUGHES: What products?

Hon. Mr. McMEANS: The products of Nova Scotia. Well, I will refer to only two items, because I am not in a position to know very much about the others. Take for instance potatoes. I understand that the Americans have placed on Canadian potatoes going into the United States a duty of about 35 cents a bushel.

Hon. Mr. HUGHES: No; it is 30 cents. The honourable gentleman is pretty near the figure.

Hon. Mr. McMEANS: Say 30 cents. I was not very sure of my ground. Now, if we buy any potatoes from the Americans and they are shipped to our side of the line, while I do not know the exact amount of the duty, I know it is not very heavy.

Hon. Mr. HUGHES: I think it is about half.

Hon. Mr. McMEANS: About half. Then take eggs, for instance. If we ship any eggs to the United States we are charged a duty of 8 cents a dozen. If we buy any eggs from the United States—I must put it the other way: any eggs going from Canada into the United States pay only 3 cents a dozen—

Right Hon. Mr. GRAHAM: Their duty is 8 cents, and ours is 3.

Hon. Mr. McMEANS: What I want to ask the honourable gentleman (Hon. Mr. Hughes) is this. If we followed the same principle as the United States, placing the duties on those articles that the honourable gentleman is talking about, on the same level as what they charge us, should we not have our home market? I want to say this, that in this country, in regard to natural products, I think we are pursuing a policy that is suicidal. Take wheat, for instance—

Hon. Mr. HUGHES: I thought the honourable gentleman was going to ask me a question.

Hon. Mr. McMEANS: I will finish it out. Any wheat that goes into the American market pays 35 cents a bushel. But what do the Americans do? They want the wheat; they must have it. They rebate the duty if the wheat is ground into flour and shipped out of the country. The consequence is that our millers are competed with, and the Americans get the entire advantage. Where my honourable friend (Hon. Mr. Hughes) is wrong, on his principle of protection, if I may be permitted to say so, is that he does not recognize that if we raised the level of the tariff in Canada to that of the American tariff, on natural products, we should have a market of our own and should not be sacrificing ourselves to the United States.

Hon. Mr. HUGHES: I am speaking principally of the situation in the Maritime Provinces.

Hon. Mr. McMEANS: It is the same all over Canada.

Hon. Mr. ROBINSON: What was the question?

Hon. Mr. McMEANS: The question was with regard to the duty on eggs.

Hon. Mr. HUGHES: The question was lost sight of.

Hon. Mr. McMEANS: If you put the same duties on articles coming from the United States as are put on similar articles going from Canada to the United States, you would protect your home market.

Hon. Mr. HUGHES: I say that there is no home market in Canada for the products of the Maritime Provinces.

Hon. Mr. McMEANS: All over the Dominion of Canada there is a home market.

Hon. Mr. HUGHES: Let my honourable friend make his speech a little later.

Hon. Mr. McMEANS: Let my honourable friend consider the quantity of the country's products that are consumed within the country. How much money did we spend last year alone on eggs imported from the United States? Over $3,000,000.

Hon. Mr. HUGHES: I may make a few remarks that refer generally to the whole of Canada, but I am speaking now particularly of conditions in the Maritime Provinces, and I repeat this statement—the facts will bear me out, and I think it will be approved by the people of the Maritime Provinces—that there is no home market in the Dominion of Canada for any appreciable quantity of the products of the Maritime Provinces.

Hon. Mr. McMEANS: I do not wonder at it.

Hon. Mr. HUGHES: That does not change the situation at all. Now, I have stated that the only two articles of production in the Maritime Provinces for which there might be a market in central Canada are coal and fish, and I have told you how much of our fish the market of central Canada will absorb—4½ per cent. When we have shipped that proportion we have supplied that market. As to every other commodity that we produce, there is an abundance of the same articles produced by the farmers or the lumbermen of the central Provinces. They compete with us. They come down into the small markets of the Maritime Provinces and are our successful competitors, in meat, in lumber, in grain and many other things.

Hon. Mr. BEIQUE: The farmers are well off.

Hon. Mr. HUGHES: Where?

Hon. Mr. BEIQUE: In the central Provinces.

Hon. Mr. HUGHES: I suppose so. Whatever advantage may be derived from the principle of protection, if there is any advantage, the farmers of the central Provinces get it.

Hon. Mr. McMEANS: They have not got any.

Hon. Mr. HUGHES: If they do not get any, then nobody gets its and we had better do away with it. I state in a general way—and if time and circumstances permitted, I think I could prove it—that there is no country in the world where the principle of protection will do so much harm as in the Dominion of Canada, because of our extent, because of the sameness of our production, and because of the tremendous difficulties of transportation; and there is no country in the world where protection will do less harm—it does harm everywhere, but there is no country where it will do less harm than in the United States of America, because of the compactness of that country and the immense variety of its soil, climate and production.

Hon. Mr. McMEANS: The honourable gentleman might add one more reason, and that is, because Canada has thrown open her doors and gives them another market.

Hon. Mr. HUGHES: Very well. I have pointed out the conditions in the Maritime Provinces, and, while the implementing of these recommendations, I repeat, will help conditions there considerably, it will supply but a small portion of what has been taken away from those Provinces during the forty-seven years in which the principle of protection has been in operation. If there has been any advantage in that principle it has been given to the Central Provinces of Canada—Western Quebec and nearly all Ontario. That is the situation. So far as I can prevent it, I do not wish the people of the Maritime Provinces to imagine that the millennium is going to follow, because the Government is carrying out the recommendations of the Duncan Commission—not by any means. The Maritime Provinces have many natural advantages. One of these is the Annapolis Valley in Nova Scotia, in my judgment the best apple-producing section of North America. The apples produced there did not look as well as those from British Columbia and Oregon, but they are of much better flavour; yet the people of that valley allowed the British market to slip away from them. That was their own fault; they did not take care of their orchards; they did not pack their apples in the way that the people of Great Britain wanted them packed; they simply thought they could do as they liked and still hold that market. Well, they waked up to find that they could not, for the growers of British Columbia and Oregon met the demands of the British market, which is now lost to Nova Scotia, as a result.

In some other things the Maritime Provinces have done all they could.

Hon. Sir EDWARD KEMP: Mention some of them.

Hon. Mr. HUGHES: I mentioned one; I will mention another. In my opinion there is no good reason why the people in the Maritime Provinces, particularly the people of Nova Scotia and part of New Brunswick, should not have a large trade with Great Britain in cattle. We are 2,000 miles nearer the British market than are the people of Western Canada. There is an immense quan-

tity of land there very suitable for grazing purposes, and great quantities of hay and fodder can be produced in those Provinces. The cattle that would go on board a ship there must necessarily be in better condition than those that travel from the western Provinces, and yet we do not attempt to get into that market with cattle. We are to blame for that, and there is no use in saying that we are doing everything we can or should do: but all the same, we are handicapped by the disadvantages under which we live.

Hon. Sir EDWARD KEMP: Not with respect to apples and cattle.

Hon. Mr. HUGHES: Well, I think we could have held the British market in apples if we had done our duty, and I think we could have a fair share of the English market for cattle if we did our duty. In my judgment our people are not doing all they could, and it is just as well to point out these things; there may be other things. I think we are doing well in the fishing business.

Hon. Mr. BELCOURT: But you are not supplying Canada.

Hon. Mr. HUGHES: My honourable friend could not have listened to my statements. He says we are not supplying Canada. I say we are. The wholesale fish men of Montreal have told me that we supply 99 per cent and a fraction of all the fish that are consumed in Montreal and neighbourhood.

Hon. Mr. BELCOURT: Does my honourable friend know that the fish market of Ottawa is always wanting fresh fish—that there is no commodity that is so hard to get in Ottawa as fresh fish?

Hon. Mr. HUGHES: Well, I have stated the facts as given me by the fish dealers in Montreal. I have not consulted the wholesale fish men in Ottawa, but the Montreal men tell me they buy from the Maritimes all the fish they can sell, with the exception of a few special varieties of very high-class fish that they buy in the Boston market—less than one per cent of what they sell.

I wish to put myself on record that we are not receiving the attention we should, but I want to compliment and thank the Government for what it has done in appointing the Duncan Commission and in carrying out the recommendations of the Report, and giving that measure of relief to the Provinces. It will do much good, though long overdue.

I would try to remove, if I could, the idea that may be in the minds of honourable gentlemen from western Provinces that this is some special favour that is being done to us. It is nothing of the kind. No matter what adjustments take place later, we are entitled to what we are now receiving, and more, if the scales could be held even, and if all the accounts could be taken into consideration.

Now, honourable gentlemen, I hope I have not wearied you, and I thank you.

Hon. A. B. COPP: Honourable gentlemen, in rising to add a few words to this discussion, I feel somewhat like a lawyer who addresses the jury after they have brought in their verdict. I feel that a verdict has practically been given already in this House and the other, and through the country, on this very important question.

I quite agree with my honourable friend (Hon.. Mr. Black) in his statement of the situation in regard to freight rates. He referred to the situation from the year 1912 until 1921 on what was known as the old Intercolonial Railway. I remember the dissatisfaction that existed in the Maritimes for the three or four years following 1921, and I, along with my friends, made representations in regard to freight rates and other matters in those provinces.

I listened to my honourable friend from Westmoreland (Hon. Mr. Black) and also the honourable gentleman from Sydney (Hon. Mr. McLennan) as to the situation before Confederation. They did not tell us why the trade of the New England States, which was our natural market, was diverted, but we can draw our owen conclusions.

Whether my honourable friend who has just spoken is correct or otherwise in regard to the cause of the difficulty in the Maritime Provinces, is not the question before us tonight. It was realized that the only safe, sane and proper way to bring our difficulties before the people of Canada as a whole would be to have an independent, unbiased and non-political Commission to investigate all these matters and bring their report before Parliament. This has been done. I am not here to take and particular credit for one party or the other in the Dominion or the Maritime Provinces in regard to it, but I do feel that that was the right and only sane way to deal with the situation. I always felt that had any political party introduced the legislation that has been brought in now through the Duncan Report it would not have been accepted by Parliament or the people of Canada. But now, barring a few hostile criticisms in another place in connection with this Parliament, and in some newspapers throughout the Dominion, this Report has been accepted al-

most unanimously as the proper action to take in regard to the Maritimes.

As a Maritime Province man I feel deeply grateful that this course has been taken. I appreciate the very favourable consideration the people of middle and western Canada have given to the Duncan Report. I realize, as well as others, that all that has been done will not of itself bring prosperity and riches, but I do believe that when this legislation becomes effective the Maritime people will realize that the hand of the Canadian people is not against them, as some of them have been led to believe, but that those frugal, industrious, virile people will take up the burdens a little more firmly and with more enthusiasm. I believe that what has been done so unanimously by the people of Canada as a whole, through their representatives in Parliament, will be a great boon to the Maritime Provinces. I appreciate and feel thankful for the sympathetic way in which this legislation has been received, and I believe that the eastern Provinces will receive great benefit from it, and that the people there will do their part in carrying on the great Canadian Confederation.

Hon. Sir EDWARD KEMP: Honourable gentlemen, I do not think this debate should close without some one from the central Provinces speaking. I assure our friends from the Maritime Provinces that these measures that have been brought in have received on all sides the most sympathetic consideration.

During the war the railroads did not fail to take advantage of what was sometimes called war hysteria, and they repeatedly went before the Railway Commission and got railway rates advanced to a very high point indeed. Those rates went up something like 105 per cent, as has been pointed out, and when they got up there it was found that the Railway Commission did not act with the degree of freedom in bringing them down that they exercised in putting them up.

I understand the discussion is now on the Bill with respect to reducing freight rates in the Maritime Provinces by 20 per cent. I understand that by this Bill the Railway Commission are ordered to reduce those freight rates in the Maritime Provinces and as far west as the Intercolonial Railway extends, by 20 per cent. For some time past I have anticipated that Parliament would have to go very much further than that, and I think that if this Bill had made a reduction greater than 20 per cent for the Maritime Provinces I would have supported it. I have been anticipating that the Government would be obliged to order the Railway Commission to take some steps with respect to the very high rates that now exist.

We have a long, narrow, thin country, which some people quietly tell us is liable to come apart in the middle, it is so thin. We have a country many thousands of miles from end to end. Just to the extent that we have increased freight rates we have made that distance greater. If we increase freight rates 50 per cent we make the mileage 50 per cent greater, and so on, because the cost of transportation controls the movement of merchandise. If the cost is low, the transportation is made that much easier, whereas if freight cost is high there is much more difficulty in the Provinces trading with each other. Trade is the thing that will bind the Provinces together. The basic principle of Confederation was interprovincial trade throughout the Dominion of Canada.

I would not want to repeat some of the things that have been talked about outside: it would not be a good advertisement for this country. But I will go so far as to mention that I have heard it said that Confederation is still in an experimental stage. In this country we need a national spirit and a national sentiment by which one Province will stand up for every other Province in the country, and all the Provinces will pull together. Just now we have too much sectionalism in this country. This is not a question of the Maritime Provinces or the western Provinces. I want to arrive at a point in Canada where we shall not have as many grievances, and I approach all these questions, not only relating to the Maritimes, but to the western Provinces, with the greatest amount of sympathy.

Honourable gentlemen, I believe we have today to face as serious a task as the Fathers of Confederation had to deal with. They did not contemplate the exact conditions that would exist when the great West was populated, and when there would be seats in Parliament representing the country west of the Great Lakes. We have come upon a new condition of affairs. We have a great republic to the south, and those who are intimately associated in certain kinds of business have some idea of what is going on in the United States to-day.

In the year 1920 we had what was called a boom year in business in Canada, and at the end of that year that boom stopped very suddenly. The United States had that boom in the year 1920, but it has continued with them every year since 1920 up to the present moment. The United States have gone crazy on what is called mass production. There is no nation in the world that is able to approach the United States to-day in manufacturing. Canada lies alongside this country, and just as

soon as this boom in the United States stops—and it may stop some time—we shall have all over Canada a condition somewhat resembling that which my honourable friend tonight referred to as existing in the Maritime Provinces.

We are facing some very serious problems to-day, and in my opinion they can be solved only by treating them in a more sympathetic way than that in which some of my fellow-countrymen approach these questions. I sincerely hope that this is not the first step in the direction of doing something to bring the West and the East nearer together. So far as through freight rates are concerned, they should be reduced. If the Railway Commission cannot see its way clear to reduce them, Parliament will take hold of that question and shorten the distance between the East and the West, that thousand miles of barren territory north of the Lakes, and in some way help to overcome that barrier, and get a through freight rate so that the Western products will go east and the Eastern products go west at rates somewhere nearer what they were before the war.

Now, I do not want to take up any more time at this late hour, but I thought perhaps there was an impression that we were complaining about these concessions being made to the Maritime Provinces. I have not heard a word of complaint in that regard in Central Canada or anywhere else. I wish the reduction in freight rates had been greater than 20 per cent. If it had been I should have been very pleased to support it.

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

DEPARTMENT OF MARINE AND FISHERIES BILL

THIRD READING

On the Order:

The House in Committee of the Whole on Bill 258, an Act respecting the Department of Marine and Fisheries.

Hon. Mr. DANDURAND: Honourable gentlemen, I move that the House do not go into Committee on this Bill, but that the Bill be now read the third time. It simply provides for a division of the Department into two branches.

Hon. W. B. ROSS: Mere administration.

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

Hon. Sir EDWARD KEMPT.

FRUIT BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 228, an Act to amend the Fruit Act.

He said: Honourable gentlemen, this is a very short Bill, but a very important one. It provides for the inspection and grading of fruit in the same manner as cheese and butter are inspected and graded for export. Ontario and British Columbia have accepted this official inspection, and the Maritimes are disposed to do so. It is understood that the Bill will not come into effect for the coming season, but will be applied only after the 1st of January next.

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

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

CHICOUTIMI HARBOUR COMMISSIONERS BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 303, an Act to amend the Chicoutimi Harbour Commissioners Act, 1926.

He said: Honourable gentlemen, the object of this Bill is the reduction to a certain extent of the area or limits of the Chicoutimi Harbour.

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

THIRD READING

Hon. Mr. DANDURAND 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

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 304, an Act to amend the Canada Shipping Act.

He said: Honourable gentlemen, the object of this Bill is the prevention of soliciting by hotels, lodging houses, etc., on ships or wharves, without the written consent of the owner.

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

THIRD READING

Hon. Mr. DANDURAND 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

Tuesday, April 12, 1927.

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

Prayers and routine proceedings.

PRIVATE BILLS

REPORT OF STANDING COMMITTEE

Hon. Mr. BEIQUE moved concurrence in the report of the Standing Committee on Miscellaneous Private Bills, to whom was referred Bill 148, an Act respecting a certain patent owned by Chester Earl Gray and Aage Jensen.

He said: This is a Bill in connection with a patent which has expired because of non-payment of fees, and also because of importation of the invention covered by the patent. The purpose of the Bill is to give authority to the Commissioner of Patents, if cause be shown to his satisfaction, to revive the patent for its unexpired period. It is on the lines of several Bills which have been passed under similar circumstances.

The motion was agreed to.

THIRD READING

Hon. Mr. BEIQUE moved the third reading of the Bill.

Hon. Mr. TURRIFF: May I ask what Bill this is? Does it refer to Patent No. 113,760?

Hon. Mr. BEIQUE: No, it is not that.

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

THIRD READING

Bill 106, an Act to incorporate the Premier Guarantee and Accident Insurance Company of Canada.—Hon. Mr. Black.

AGRICULTURAL POISONS BILL

THIRD READING

Bill 257, an Act to regulate the sale and inspection of agricultural economic poisons.—Hon. Mr. Dandurand.

RAILWAY BELT WATER BILL

THIRD READING

Bill N6, an Act to amend the Railway Belt Water Act.—Hon. Mr. Dandurand.

DIVORCE STATISTICS, 1927

On the Orders of the Day:

Hon. Mr. WILLOUGHBY: Honourable gentlemen, I ask the leave of the Senate to make a slight reference to the work done by the Committee on Divorce.

For the present Session 228 notices of intention to apply to Parliament for Bills of Divorce were given in The Canada Gazette. Of the foregoing 198 petitions were actually presented in the Senate and dealt with by the Committee on Divorce, as follows:—

Heard and recommended	150
Rejected	6
Partially heard and withdrawn	1
Partially heard and not proceeded with	2
Withdrawn	1
	160
Not dealt with owing to necessary delays not having expired, etc.	38

That is, the necessary time had not elapsed, after the notices, for the consideration of these Petitions. That is a condition which, as I pointed out when discussing the Divorce Bill, might occur at any Session. The present Session is much shorter than the ordinary one, which might run into the month of May. If the present Session were to continue until next month, most of these Petitions would have been ripe.

Of the petitions recommended 55 were by husbands and 95 by wives, the grounds being, as follows:—

Adultery	148
Other grounds	2

Of the applications presented 179 were from residents of the province of Ontario, and 19 from the province of Quebec. An analysis of the occupations followed by the applicants is, as follows:—

Aviator.
Advertising Executive.
Accountants.
Advertising Artist.
Actor.
Broker.
Book-keeper.
Barrister.
Clerks.
Cook.
Chemical Engineer.
Civil Servants.
Chauffeur.
Draughtsmen.
Domestic.
Electricians.
Editor.
Forge Hand.
Farmers.
Foreman.
Grocer.
Hairdresser.

Housekeepers.
Inkmaker.
Inspector.
Lumber merchant.
Line foreman.
Labourers.
Locomotive fireman.
Linesman.
Managers.
Mechanics.
Merchants.
Meter Inspector.
Nurse.
Not stated (6)
Paper maker.
Policeman.
Physician.
Plasterer.
Public Functionary, Highway Dept.
Painter.
Press Hand.
Printer.
Railway Employees.
Railway Conductor.
Stenographers.
Shipper.
Salesman.
Shoemakers.
Silversmith.
Supervisor.
Tailor.
Trainman.
Waitresses.
Wireless Operator.
Watchmaker.
Well-driller.
Yard Foreman.

In 77 cases the Committee on Divorce recommended that part of the Parliamentary fees be remitted.

In the taking of evidence during the present Session the Committee sat for an average of five and one-half hours on twenty-three days.

The foregoing figures are exclusive of the 48 Bills of last Session which failed to receive the Royal Assent owing to dissolution, and which were again recommended by the Committee at the present Session.

In addition to the sittings of the Committee for hearing evidence, very numerous and frequent meetings of Sub-Committees were held for the consideration of various matters arising out of divorce petitions, other than the taking of evidence.

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 divorces and annulments of marriage granted by the Parliament of Canada in the last ten years is, as follows:—

1918	15
1919	55
1920	100
1921	111
1922	102
1923	117
1924	130
1925	135
1926	124
1926-1927	196

Respectfully submitted,

A. H. Hinds,
Chief Clerk of Committees.
Clerk of the Divorce Committee.

Hon. Mr. WILLOUGHBY.

In this connection I desire to refer to the fact that 48 Bills which had been recommended by the Committee and passed by this House fell by the wayside last year, in consequence of the dissolution of Parliament. I came all the way down from the West in order that those Bills might be passed again at the sittings we held in December. It was not a very pleasant or convenient trip to be obliged to take, in order to be present here for four day. Other members of the Committee, who were nearby, were kind enough to attend and constitute the Committee.

Being, as Chairman of the Committee, more in evidence than other members, may I express in the presence of the House my very grateful appreciation of the kindly aid and assistance of other members of the Committee, several of whom have attended here during adjournments of the House, as well as at other times, often at considerable inconvenience to themselves, and have devoted themselves to the work. No Chairman could do his work as satisfactorily as we have endeavoured to do it, and as we hope it has been done, unless he had the aid of other members competent to deal with the cases presented. So much for that aspect of the work.

It is due to the Senate to state what has become of the Divorce Bill for Ontario that we passed at this Session. I presumed it was left to me to see that the Bill was introduced in the other House and put through if possible. In this respect I have acted in concurrence with an honourable member on the other side of the House, a very influential member from Ontario, and it has been our joint opinion, reached after conference with members of the other House, that owing to the lateness of the Bill and the shortness of the Session we might imperil its passage if we pressed it unduly at the present time. At best, it is only a private Bill. I do not know that any Government, however willing it might be to see it passed, would be particularly desirous of accepting the responsibility of fathering it. Such has been the experience of the past, in any event. However, it is my intention, immediately after the opening of the next Session of Parliament to submit to this House the same Bill that has been passed unanimously by this Chamber, in order that the other House may deal with it early in the session.

Hon. W. B. ROSS: Has the Bill fallen by the wayside?

Hon. Mr. WILLOUGHBY: No, it has not. It has never actually been introduced.

FEDERAL DISTRICT COMMISSION BILL

THIRD READING

On the Order:

Third reading of Bill 280, An Act respecting the Federal District Commission.—Hon. Mr. Dandurand.

Hon. Mr. DANDURAND: Honourable gentlemen, when we were in Committee of the Whole on this Bill, I moved an amendment, which was adopted, and which read as follows:

Subject to the provisions of this Act the Commission shall possess and be vested with the assets, rights, credits, effects and property, real, personal and mixed of whatsoever kind and wheresoever situated, belonging to the Ottawa Improvement Commission, and shall pay, discharge, carry out and perform all the debts, liabilities, obligations and duties thereof.

Since that time the Minister of Justice and our Law Clerk have examined into the situation that will be created by the transformation of the old Commission into the new Commission, in order to make sure that the new Commission will be seized of all that appertained to the old Commission, and they have suggested the addition of a clause which reads:

The Act constituting the Ottawa Improvement Commission, Chapter 10 of the Statutes of 1899, the Act continuing the said Commission, Chapter 62 of the Statutes of 1919, and all amendments to the said Acts are hereby repealed, and the provisions of this Act are substituted for those of the said Acts and amendments.

The purpose of this is to make applicable the saving clauses of the Interpretation Act of 1906, the repeal clause as now worded being too wide. This amendment is of a technical nature, and I take it for granted, the Minister of Justice and the Law Clerk having concurred in it, that the Senate will accept it.

The Hon. the SPEAKER: Some honourable gentleman will have to move the third reading of the Bill, so that the honourable Leader may move his amendment.

Hon. Mr. BELCOURT: I move the third reading of the Bill.

Hon. Mr. DANDURAND: I move the amendment which I have just read.

The amendment was agreed to.

Hon. F. L. SCHAFFNER: Honourable gentlemen, I should like to make just a few brief remarks before this Bill receives its third reading. It is entitled "An Act respecting the Federal District Commission." I admit at once that I have not had very much experience of Federal Districts. There may be many others, but the only Federal District with which I am at all familiar is the one at Washington. Several of us, including myself, who have the honour to be members of this Chamber now, were members of the House of Commons for a number of years. I remember very well how frequently the late respected and lamented Sir Wilfrid Laurier expressed the hope that the time would come when Ottawa would be made a Federal District. The fulfilment of that dream seemed to be one of his great desires.

Now, honourable gentlemen, I believe that the people of Canada from ocean to ocean would be sympathetic, in fact enthusiastic, towards the idea of establishing a real Federal District, but in my opinion, the title of the Bill before us, "An Act respecting the Federal District Commission," is a misnomer.

It appears to me that the city of Ottawa wants to eat its cake and still have it. I have no objection to our spending money to improve the appearance of the city. I admit that Nature has done a great deal to beautify it but, without desiring to be too critical, it seems to me that for about three or four months each year Nature has still a great deal to do in order to make this city a fit place in which to live. I shall not say anything further along this line.

Now, if we are going to spend millions of dollars for the establishment of a Federal District, we should have a Federal District. If we are not to have a Federal District, why should we call it that? The establishment of a Federal District at Washington took away from that area the right to representation in Congress, and I understand that there is not even a municipal council. I may be right in that or I may be wrong.

Hon. Mr. STANFIELD: You are right.

Hon. Mr. SCHAFFNER: I believe the people of Canada want a Federal District, and I believe they are willing to spend large sums of money upon it; but personally I object to a matter of this kind being camouflaged; and, without any desire to be offensive, may I say that to me this Bill seems nothing short of camouflage. As I said in my opening remarks, the late Sir Wilfrid Laurier, when in another place, gave his blessing to the idea of a Federal District, but I am exceedingly doubtful whether he would give his blessing to this Bill.

Hon. Mr. DANDURAND: I am under the impression that my honourable friend, in his condemnation of the title of this Bill, is in-

fluenced by the fact that when we speak of a Federal District we naturally think of Washington. I was not in Council when the matter was discussed and, I confess that when this subject was first mentioned I hastened to look into the Bill to see what it meant. There are such things as pious wishes, and, as the honourable gentleman has said, Sir Wilfrid Laurier did express a desire for the establishment of such a district. I would suggest to my honourable friend that early next session he should take up this idea and move a resolution stating that this Chamber believes the time has come to transform Ottawa and the surrounding country into a Federal District. If he does so, I will vote for his motion, and if the Senate of Canada votes for it, it may have some effect upon the other Chamber.

Hon. Mr. SCHAFFNER: Then do I understand that this Bill is not for the purpose of establishing a Federal District?

Hon. Mr. DANDURAND: No, and yes. It is for the purpose of continuing the operations of the old Commission, but it increases the amount of money which may be expended. So much work has been done in the past that a considerable sum will be necessary for maintenance. Ottawa has developed; the surroundings have developed; the walks and roads have been increased.

Hon. Mr. BARNARD: And the smells.

Hon. Mr. DANDURAND: The work has been well done. As has been said in another place, the beautifying will go on not only in Ottawa proper, but also in the surrounding area, including the other side of the river. So honourable gentlemen will see, that the sphere of operation of the Commission will be extended. I have always advocated a Federal District such as that of the capital of the United States, and I will not alter my views next session should my honourable friend move his resolution.

Right Hon. Sir GEORGE E. FOSTER: I have been struck by the same thought that has been expressed by the honourable gentleman sitting behind me (Hon. Mr. Schaffner). The title of the present Commission is "the Ottawa Improvement Commission." Why is that changed? The moment the new title is confirmed there will be a confusion of fact with idea. The impression conveyed to the public mind is that we have progressed from the Improvement Commission stage to a Federal District, and everybody immediately thinks of the Federal District at Washington, and what has been done there. It surely is not a good thing to confirm a wrong impression in the public mind. What were the reasons that led to this change of name? Really it only amounts to an extension of the present Commission. Territory is added, and it may be that fact which gave rise to the change in name. I think it is unfortunate that the present term has been chosen, for its very pronunciation leads everybody to think of a Federal District with powers and obligations and duties very different from what they really will be.

Hon. Mr. BELCOURT: May I point out to my right honourable friend (Right Hon. Sir George E. Foster) that the reason seems to me to be this. When, in 1898, the Ottawa Improvement Commission, as it was called, was created, it had a jurisdiction limited to Ottawa. Since then the operations of the Commission have been extended beyond Ottawa. For instance, it has built a bridge, which now terminates at the interprovincial boundary, but which it is intended to carry across the river to the Quebec side in order to connect with highways there. I think also that some money has been spent in the city of Hull. Just what more is intended I do not know, but it is evidently thought that something more will be done in Hull, or on the other side of the interprovincial boundary.

Hon. Mr. GRIESBACH: Is there any limit to the distance they can go from the city of Ottawa?

Hon. Mr. BELCOURT: No, there is no limit.

Hon. Mr. GRIESBACH: Unlimited?

Hon. Mr. BELCOURT: There is no limit set.

Hon. Mr. CALDER: May I ask the honourable the senior member from Ottawa (Hon. Mr. Belcourt) whether in moving in the direction of establishing a Federal District along the lines spoken of there is any constitutional difficulty involved? Could we create a District extending on both sides of the river and take away from municipalities their rights, and that sort of thing, without amending the constitution or without agreement on the part of the provinces?

Hon. Mr. BELCOURT: My opinion is that you could not do that without the consent of the authorities on the other side of the river—the Provincial Governments and the municipal authorities.

Hon. Mr. DANDURAND: Both Governments—Ontario and Quebec.

Hon. Mr. BELCOURT: Both the legislative authorities and the municipal authorities. My idea all along has been that if a Federal District were created it would be wholly predicated upon the consent of the different bodies exercising jurisdiction within the limits fixed. Otherwise there would be a violation of provincial rights. Of course the Government might declare the work to be for the general advantage of Canada and exercise powers of expropriation; but it would have to be in strict accordance with provincial and municipal rights, whatever they may be.

Hon. W. B. ROSS: But I would point out that neither the Province of Quebec nor the Province of Ontario could, by mere consent, give away any part of their territorial jurisdiction. The whole matter would have to go to the Imperial Parliament for an amendment to the Constitution, as mentioned by the honourable gentleman on this side.

Hon. Mr. BELCOURT: But if there were consent all around there would be no occasion to go to the Imperial Parliament.

Hon. W. B. ROSS: How can the Province of Ontario consent to give up jurisdiction over one of the counties of Ontario? They cannot do it. The jurisdiction over the county, in Provincial matters, lies with the Provincial government.

Hon. Mr. BELCOURT: I do not think this Bill would involve the giving up of jurisdiction by Ontario at all. It would operate merely to the extent of doing the work necessary for the purpose of the District—the completing of highways, or parks, or things of that kind, which would not, or at all events need not, be done in contravention of Provincial rights. The whole project is predicated on the general consent of all concerned, and there would be no necessity for any amendment of the Constitution if the parties agreed to develop the scheme.

Hon. W. B. ROSS: No; if you are talking about the expenditure of money on roads, gardens, and that sort of thing, I quite agree; but if you are talking of a Federal District over which you are to have jurisdiction, that is another thing.

Hon. Mr. BARNARD: I would suggest to the Government that they should make it a condition of any further expenditure on the beautification of Ottawa that the city should put in a decent water supply, and also eliminate the odors from the sulphide works. The water supply of this city is a standing disgrace to a centre of its size and importance, situated as Ottawa is, in the midst of almost the most magnificent water country in the world. To think that people have to drink and bathe in doped water year in and year out is ridiculous. As far as the other nuisance is concerned, my friends in Ottawa say that they get accustomed to that smell, and like it.

To those of us who are accustomed to living in a place where we get the breezes that blow across from the cherry tress of Japan, and where the air is fresh, this stench is very disagreeable.

Hon. Mr. BELCOURT: I think I am called upon to make some observations in regard to that, because I have been a member for and have resided in Ottawa for a long time.

Hon. Mr. GRIESBACH: And the honourable gentleman (Hon. Mr. Barnard) has made an attack.

Hon. Mr. BELCOURT: Yes, and I think he has a precedent for it, too. As I mentioned the other day, a very serious effort was made some years ago to afford Ottawa a system of pure water. Ottawa was not altogether remiss or negligent about that matter, because the city actually secured from the Legislature of the Province of Quebec a special Act which authorized it, as a city, to go to the Thirty-one Mile Lake and another lake, generally called the Pemichango Lake, to secure what would have been a perfect water supply. The city of Ottawa spent quite a bit of money for surveys and plans, and prepared to expropriate for the purposes of getting that water. I do not remember exactly, but my impression is that it was largely the war which prevented the financing of the undertaking, but the scheme as a scheme was started—

Hon. Mr. BARNARD: I think I can refresh my honourable friend's memory. I have a rather vivid recollection of the matter, because a member of my family was unfortunately a victim of a typhoid epidemic which prevailed here at that time.

Hon. Mr. BELCOURT: That was before.

Hon. Mr. BARNARD: As I remember, that water by-law was defeated by the ratepayers of the city of Ottawa. That is why I say that until the property owners of this city are prepared to spend some money to make living conditions here reasonably decent the Government should not spend so much upon beautification.

Hon. Mr. BELCOURT: I do not disagree entirely with that, but I am only pointing out that Ottawa did make an effort.

Hon. Mr. BARNARD: Not very much.

Hon. Mr. BELCOURT: The Council did make an effort, but the plan was not carried out, because the ratepayers would not ratify the scheme.

Hon. Mr. WILLOUGHBY: It might be well to take an example from Australia, where they have established a Federal District called Canberra. I know that neither Victoria nor New South Wales wanted the Parliament to do that; they wanted Melbourne or Sydney to be chosen; but Parliament took a neutral attitude and made the new Federal District in New South Wales. Whether it corresponds exactly to that at Washington I do not know, but it is under the jurisdiction of the Government.

Hon. Mr. GRIESBACH: I want to offer a few words in addition to what I said the other day. I think this a bad Bill. I do not think it would stand the serious consideration of members of this House for an hour. It is proposed to spend $4,000,000 running over a period of 16 years. It is proposed to let these Commissioners capitalize their income for the purpose of borrowing a large amount of money. It does not limit the Commission in any direction, and the whole of this investment is unsecured.

Hon. Mr. BELCOURT: But the Commission cannot do anything without submitting its plans to the Government and getting the Government's approval.

Hon. Mr. GRIESBACH: I quite understand that, but I discussed the other day the difficulty under which the Government deals with this matter. The expenditure is unsecured. No business man would undertake to put so large a sum of money into an investment without security. Because of the difficulty in dealing with municipal and Provincial Governments the investment cannot be secured; sound plans cannot be made; and the fact that the Bill comes to us camouflaged with the name of Federal District Commission only adds to future difficulties.

The Bill might well stand over for another year. It passed in the other House without criticism or discussion, and it bids fair to go through this House without criticism or discussion. I submit it is a bad Bill, and it should be voted down. As I said the other day, let the Government take its courage in both hands and do something worth while in the inauguration of a real Federal District under a plan by which the money appropriated may be soundly and safely invested and a definite programme carried out.

Hon. Mr. BARNARD.

Hon. Mr. DANDURAND: I moved at a previous sitting to add a clause 21 to this Bill. I should have moved to replace clause 20 in the Bill, which reads:

20. All statutes relating to the Ottawa Improvement Commission enacted prior to the passing of this Act are hereby repealed.

I should have mentioned that the new section replaces this clause.

The amendment of Hon. Mr. Dandurand was agreed to.

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

THE IMPERIAL CONFERENCE, 1926

DISCUSSION CONTINUED

The Senate resumed from April 6 the debate on the inquiry of Hon. Mr. Griesbach:

That he will call the attention of the Senate to the Report of the Imperial Conference, 1926, and will enquire of the Government in what directions and to what extent it proposes to act upon the same.—(Honourable Mr. Dandurand.)

Hon. R. DANDURAND: Honourable gentlemen, when I was asked last week to "speak now" on this inquiry in order to make known the views of the Government, and to allow honourable members of this Chamber to discuss them intelligently, I suggested that I might well continue the tradition of speaking last, inasmuch as the members of this Chamber were aware of the official statement that had been made in another place. My right honourable friend the junior member for Ottawa (Right Hon. Sir George E. Foster) said that he wanted information direct, and that he should not be obliged to go next door for it.

There was a reason for my suggestion. We had two official delegates at that Conference, the Prime Minister and the Minister of Justice. They made their official statement from their seats in the House of Commons. I take it for granted that those pronouncements carry far more authority than my explanations could, and that their statements should belong to both Houses of Parliament. I could well abstain from projecting my own personality into the debate, and simply read those two statements, for they would be absolutely complete. That is my reason for suggesting that the honourable members of this Chamber were well aware of the views of the Government

on the report of the Conference, since the official delegates had been heard in the other Chamber.

I listened with pleasure, as I always do, to the remarks of my honourable friend from Edmonton (Hon. Mr. Griesbach), and there is a considerable part of his statement which I thoroughly enjoyed. But I confess to an impression that he had marred to a certain extent his statement by showing too strong a tincture of partisanship in his opening remarks. The subject seemed to me to call for more independent and more lofty views.

My honourable friend said that the report of the Conference, as explained by the delegates from Canada, had been acclaimed by the separatists throughout the land, and also by the American press, which had seemed to see somewhat of a revolutionary act in the decision of the Conference. Well, I may tell my honourable friend that neither the Prime Minister nor the Minister of Justice was responsible for whatever comments were made in the American press on the result of the Conference. That press represents thousands of newspapers and editors who have their own views, and who see things from their own angle. But though the Prime Minister and the Minister of Justice are not responsible for all the sayings of the press of the United States, including the Yellow Press, I believe that my honourable friend is responsible for his statements.

What is the meaning of his statement that the separatists in Canada acclaimed the report of the Conference as given by the Prime Minister? Surely it means that the majority of the people of Canada endorsed the idea of isolation, and that the majority in the House of Commons did likewise, else it would never appear to the American press that there was a majority in Canada for separation. I think the statement is somewhat extravagant, but they might well draw from my honourable friend's assertion the inference that the report of the Conference was acclaimed by all the separatists in Canada, when in reality it was received with considerable enthusiasm, and I would say with practical unanimity, by public opinion in Canada.

May I add that it must have been received with considerable satisfaction by the honourable gentleman's own leaders? I think I shall be able to show that as I proceed. I will name Sir Robert Borden; I will name Mr. Meighen; I will name the members of their Cabinets who affirmed the same principles as those that are to be found in the report of the Conference, and who surely must have been quite satisfied to see that their views had been embodied in the Conference.

My honourable friend spoke of the American press and cited one review, the Literary Digest. He could have have cited very many important papers in the United States of higher standing than the Literary Digest, which I think would have given us the sober views of the thinking men of the United States. Here is what the Washington Post, a most influential American Newspaper said of the Conference:

> It may be observed that if the government of George III had possessed the wisdom of the government of George V, there would have been no declaration of independence, and the United States would now be part of the British commonwealth. The evolution from an empire to a commonwealth is accomplished by mutual consent, and no written constitution will follow to bind the bargain.

That is the statement of a paper that treats the question seriously, and that finds that if there had been men as wise under George III they would have saved the American States to the Commonwealth of Great Britain.

My honourable friend was somewhat more in his element when he spoke of military matters. He dilated particularly upon the fact that Canada showed an absolute lack of preparedness for defence, and he cited the respective contributions of the members of the British Empire. He stressed more especially the contribution of Australia for defence, in comparison with our contribution. He went the length of affirming that Canada to-day, in the Pacific, was dependent upon Australia.

Hon. Mr. GRIESBACH: No; I went the length of affirming that the organization of Australia contributed in some measure to the defence of Canada. I did not say that Canada was dependent upon Australia, because that would be too sweeping and wholesale a statement. I made it very clear that the defensive organization of Australia—their army, their air force, and their navy in the Pacific—contributed in some measure to the defence of Canada. I did not say in what measure, because no one can say that. I do not want to be understood as saying that Canada is dependent upon Australia. That would be going too far.

Hon. Mr. DANDURAND: My honourable friend simply echoed a statement made, somewhat more bluntly, by Mr. Bruce when he was here. He asserted that the navy of Australia could come to the protection of our coasts. I took it for granted that my honourable friend (Hon. Mr. Griesbach) was practically joining in that statement of the

Prime Minister of Australia. Mr. Bruce's statement and the more limited and more prudent statement of my honourable friend amused me considerably. I have been following the trend of opinion in Australia. I know what is the Australian program, and what it stands for. It was said at one time that Australia would remain white, even if it did not remain British. As was shown by the fact that it seized a potential enemy, it has been constantly thinking of its own defence. It has expressed a desire, and it is a laudable desire, to do as much as possible in that direction.

My honourable friend is likely aware of the view held in Great Britain with regard to the respective situations of Australia and Canada in the matter of Empire defence. Professor Zimmern, of Oxford University, said some time ago that Canada was a producer of security, while Australia was a consumer.

I resent—I have always resented—the accusation that Canada was sponging on others for its protection or defence, and I know that a number of Canadian leaders have resented that imputation. Going back some years, I may cite the opinion of a leader of my honourable friend's party, Sir Charles Tupper, who, in his speech in Winnipeg in 1893, said:

> I deny that we are a burden to the empire. I say that if to-morrow Canada was dissevered from the crown of England, if to-morrow Canada became a portion of that great republic which lies to the south of us, England could not reduce her army by a man, nor her navy by a ship. She would want more soldiers and sailors and ironclads than she has to-day in order to maintain her prestige. I say, if this great continent was closed, as closed it would be to the ships of England, under the circumstances I have named, if they had no harbour in which to run or a place where they can obtain a ton of coal or a spar, instead of England being strengthened, she would be enormously weakened.

Hon. Mr. GRIESBACH: That was thirty years ago.

Hon. Mr. DANDURAND: There was organized in 1905 or 1906 what was known as the Round Table. The leading spirit in that movement was Mr. Lionel Curtis who organized Round Table groups throughout the British Empire. I belonged to the Montreal group, as did the late Captain Talbot Papineau, and Mr. Curtis used to say that we represented the Opposition in that group. He published a book with a white page alternating after each printed page, and he sent copies of the book to all the groups, for annotation. It was a splendid work, enabling him to ascertain the opinion or the trend of thought throughout the Empire. Those groups were composed of university men and other men of weight in the community. When Mr. Curtis had received all the reports he proceeded to make a compendium of that work, and when he came to Canada he declared, as one of his first statements, holding in his hands the report of those Round Table groups: "Canada is the only part of the Empire which does not need the Empire."

My honourable friend (Hon. Mr. Griesbach) is a soldier. I have been told by people who have seen him grow up in his community that he has always been essentially a soldier. It is no surprise to me that he thinks in terms of force; but I would like to point out to him that the majority of the Canadian people think in terms of peace. They are preoccupied in clearing up the aftermath of war and in developing this country. The people of Canada do not forget that their military budget up to 1919 was $12,000,000, and that as a consequence of the war the budget including pensions and interest on war debts, jumped to $140,000,000.

The honourable gentleman's leaders were at Paris and Versailles, and I admired the work they had accomplished when, with the representatives of the Allies, they signed at Versailles the Treaty of Peace, containing as its first chapter the Covenant of the League of Nations and bound themselves to the following enactment:

> The Members of the League recognize that the maintenance of peace requires the reduction of national armaments to the lowest point consistent with national safety and the enforcement by common action of international obligations.
>
> The Council, taking account of the geographical situation and circumstances of each State, shall formulate plans for such reduction for the consideration and action of the several Governments.

My honourable friend looks at our present budget and expenditure and alludes to all that Canada did during the war. It would seem to show that Canada did its part and can well afford to stand by that obligation which it signed at Versailles, looking to a general reduction of armaments, and not an increase, as he suggests.

Let us revert now to the subject-matter of this discussion, the report of the Conference. It was stated in the Speech from the Throne that the report of the proceedings of the Conference, together with its recommendations, would be placed before Parliament for consideration. The report was tabled in each House. My honourable friend complains that the Prime Minister did not move its adoption in the House of Commons. The Prime Minister did as was done in the British Parliament. In England the report was laid on the

table of each branch of Parliament, and it remained there. The only action taken by the Government was to introduce a Bill to alter the title of the King, because that required direct action by Parliament.

Hon. Mr. GRIESBACH: Quite so, but the position of Great Britain with respect to the Conference is entirely different from that of Canada. Great Britain has nothing to assume, nothing to deny, nothing to assert. Her position is as it was before. Canada, on the other hand, has autonomy, equality and independence to assert. Canada must proceed to secure the necessary legislation to make true a declaration of the Imperial Conference. No such obligation rests upon Great Britain, and one can well understand that no useful purpose would be served by Great Britain adopting the report of the Imperial Conference. Canada's position is wholly different.

Hon. Mr. DANDURAND: My honourable friend has simply made a statement which I think I can disprove or qualify, and I was proceeding to do so. What I desire to state, in the first place, is that in the British Parliament the report was laid on the table of both Houses. In the House of Lords—and the Senate is Canada's House of Lords—a motion was moved by Lord Parmoor, who criticized the report of the Conference from various angles. He drew an answer from Lord Balfour, and then withdrew his motion. That is all that took place in the House of Lords. A statement was made by Lord Balfour, but it was upon a criticism by the leader of the Opposition of the work of the Conference as stated in the report laid on the table of the House.

"But", my honourable friend says, "our situation is much different." What is the report? My honourable friend has undoubtedly read it. He states that we must bring in legislation to implement the conclusions of that report. Well, that will come in time, but for the time being, all that is in the report is a proclamation of equality among Great Britain and the various Dominions.

Hon. Mr. GRIESBACH: Does my honourable friend assert on his responsibility as leader of the Government here, that in time the Government will introduce the necessary legislation to implement that clause of the report which deals with the question of status?

Hon. Mr. DANDURAND: The question of status?

Hon. Mr. GRIESBACH: I am asking my honourable friend a question, and I must insist upon stating it clearly. Does my honourable friend assert as leader of the Government here that it is the intention of the Government in the near future, or at some time before they go out of power, to bring down the necessary legislation to insure that equality of status which the report envisages?

Hon. Mr. DANDURAND: I am proceeding with a discussion of the whole situation as I see it, but when I close my remarks I will give my honourable friend the official answer of the Government.

I say that the essential element in the report of the Conference is the proclamation of equality among the Dominions and Great Britain. Now, did the Prime Minister or the Government need to present this document to both Chambers in order to have that declaration confirmed? I say no; for I take it for granted that we are all in accord with that principle. If some member of the House of commons was not, he could move against it. There was an amendment moved, but it was not on the status of Canada as a sister nation having equal power with all the other Dominions and with Great Britain. The leader of the Opposition took very good care to state that he did not contest that principle, but, on the contrary, recognized it. Is there in this Chamber any honourable member who will challenge that declaration? If there is not, what need is there to have it proclaimed that the two branches of Parliament recognize that principle? It is recognized not only by both Houses of Parliament, but by Canadians as a whole.

If the principle were not unity in autonomy, what alternative could there be but unity in concentration? Imperial federation has been the dream of a group of men who have laboured night and day to bring it about. The organization of those Round Table conferences throughout the whole Empire tended in that direction. I have always believed that the movement had behind it some millions of money left by a certain South African nabob. I know that men who gave twenty-five years of their lives to bring about Imperial federation, or unity in concentration, have absolutely abandoned that scheme. I saw a letter from one of the prime movers, who said: "I lost twenty-five years of my life in the pursuit of a shadow."

I pointed out to my honourable friend that in declaring that the result of the Conference was acclaimed by the Separatists he was striking a blow at all those who have been leaders of his own party in the last twenty-five years. Here is what Sir Robert Borden said in a memorandum circulated on behalf

of the Dominion in March 1919—and many members of his Cabinet are in this Chamber:

All the treaties and conventions resulting from the Peace conference should be so drafted as to enable the dominions to become parties and signatories thereto. This procedure will give suitable recognition to the part played at the peace table by the British commonwealth as a whole, and will, at the same time, record the status attained there by the dominions. The procedure is in consonance with the principles of constitutional government that obtain throughout the empire. The crown is the supreme executive in the United Kingdom and in all the dominions, but it acts on the advice of different ministries within different constitutional units; and under resolution IX of the Imperial War conference, 1917 the organization of the empire is to be based upon equality of nationhood.

An Order in Council was passed in 1920 concerning the extra-territorial jurisdiction of Canada. It affirms that with respect to all matters appertaining to the self-government of Canada, we must have sovereign legislative authority. It adds:

In the growth of the constitution the United Kingdom and the dominions have under His Majesty relations which may be assimilated to those of independent sovereign states—

Remember, this is the Cabinet which my honourable friend supported then.

—each excercising within its own compass exclusive and independent sovereign powers of legislation and government, and which make it constitutionally the duty of the parliament of the United Kingdom on the one hand, to see that its legislation does not invade the appropriate sphere of dominion authority, and for the parliament of the dominion, on the other, to see that its legislation is confined within that sphere. By the observance of these principles perfect harmony is ensured, but the attribute of unlimited sovereignty with its incidents is just as essential for the peace, order and good government of Canada within its constitutional range of authority as it is for the United Kingdom within its own domain, or for the empire as a whole in relation to imperial affairs.

Then I find recorded in Sir Robert Borden's book, Canadian Constitutional Studies, the opinion of Mr. Meighen:

In May 1921, the Canadian Prime Minister declared that the relations between the constituent parts of the empire must be based upon a conception of complete freedom and equality in national status. Further he observed that the practical need would be met by clearly understood and definitely accepted declarations of principle with improvements in so much of the form and content of the existing mechanism as may be found to be obsolete.

I make bold to cite a statement of my own. It was made on such a solemn occasion that I believe I may be permitted to read it now. In speaking to the fifty-five nations that had gathered in Geneva in 1925, I used these words, which my honourable friend will find to be practically the terms of the Report of the Conference:

Our appearance in international life was hardly noticed. Our rapid development was recognized by our signature to the Treaty of Versailles. Our political status perhaps was received abroad with some surprise, and possibly yet is not generally understood. History had never hitherto shown an example of six countries, equal among themselves, having autonomous political institutions and through their respective Governments advising one and the same king, in whose name they speak and act both at home and abroad.

Individual declarations were made by Lord Balfour, by the Prime Minister, Mr. Lloyd George, by Mr. Bonar Law, as Prime Minister, by Mr. Amery, and by all the Ministers of Great Britain and Canada during the past fifteen years; yet they created no commotion. How extraordinary it is that no excitement was created when, with the concurrence of the Leaders on the other side of the Atlantic, men representing their country, and speaking in England, or on the floor of Parliament here, declared that we were sister nations, not subservient one to the other. Yet there seems to be some commotion,—to what extent, I do not know, or whether it is artificial—when the assembled representatives of the Dominions and of Great Britain express their belief in a general resolution which simply crystallizes what has already been affirmed in every part of the Empire. What were their words? They were the words of Sir Robert Borden, of Mr. Meighen, and of his Minister of Justice. Here they are:

They are autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the Crown, and freely associated as members of the British Commonwealth of Nations.

To judge by the form of my honourable friend's question, and by the interruption which he made a moment ago, he surely thought that that document needed legislation to give it effect. I repeat that document proclaims only the general principle of equality. The legislation to adopt this vital principle of equality of status to the various activities of the Dominion will come in due time.

The honourable gentleman from Montarville (Hon. Mr. Beaubien) did not protest against the general principle, but seemed to be somewhat disturbed by the consequences. Perhaps my honourable friend from Edmonton (Hon. Mr. Griesbach) is in the same frame of mind. The honourable gentleman from Montarville (Hon. Mr. Beaubien) fears

that the veto power may disappear and the Parliament of Canada may be left free to amend the Constitution as it will. I may say that the Minister of Justice under the Borden Government laid upon the Table of the House of Commons a resolution asking the Imperial Parliament to amend the British North America Act so as to permit of Canada amending its constitution of its own free will. That gentleman came to this Chamber from the Commons and asked me my view of that resolution. I told him that I approved, but would suggest as an amendment that the resolution should reiterate the terms of the compact of Confederation as between the Provinces and the Dominion. To that he assented. The Constitution recognizes such matters as our relations with the Imperial Parliament and the relations of the Provinces with each another and with the Federal authorities. These conditions form part of the compact and underlie the whole fabric of Confederation. We can declare that this Parliament shall henceforth have the right to amend the British North America Act, but that right will still be restricted in certain matters. Under this resolution the British North America Act has not been modified. An honourable member of this Chamber may rise and say, "Well, if the British North America Act has not been modified, if it is still the instrument which prevails, it being an Imperial Act, we must return to the Imperial Parliament for amendments. You admit that we are still in a subordinate position." I say we are not in a subordinate position, and I cannot better answer than by citing the statement of one of our Canadian delegates, the Minister of Justice. He said:

> Many people claim that the fact that we cannot in this parliament alter our own constitution is creating a state of subordination. I claim that so long as this condition exists because of the will of the Canadian people, a condition which will exist as long as the Canadian people wish it to do so, changes that could be made shall have to be made by the parties to the contract. But that condition, which is dependent upon our own wish in the matter, does not, I claim, create a state of subordination. I deny most emphatically that a condition of subordination and colonial inferiority is essential to the preservation of the rights of minorities in Canada.

The veto power remains in the British North America Act, but it has long been dead. It is no deader than it has been for the last fifty years, but I suggest that the last Conference shows it to be in a mummified state.

Now, to close these few remarks, my answer to the inquiry of the honourable gentleman from Edmonton (Hon. Mr. Griesbach) as to the direction in which, and the extent to which, the Government intends to act upon the Report of the Imperial Conference, is simply this: that as the representatives of Canada are a party to the Report of the Imperial Conference of 1926, the Government will continue to acquiesce and assist in carrying out the provisions of that report, with the understanding that all the actions of the Government will be subject to review by Parliament.

Hon. Mr. BEIQUE: I desire to say a few words on this question. If any other honourable gentleman wishes to speak now, I will postpone my remarks.

Hon. Mr. DANDURAND: My honourable friend can either proceed now or adjourn the debate until to-morrow. I thought he had expressed the opinion that this was such a large matter we could well afford to postpone it till next session.

Hon. W. B. ROSS: That was a sort of general understanding on this side. That idea emanated from the honourable gentleman. Upon his suggestion we rather made up our minds that the question would be open next session.

Hon. Mr. BEIQUE: I have a few remarks to make, and I will move the adjournment of the debate.

The debate was further adjourned.

THE LEAGUE OF NATIONS

DEBATE ADJOURNED

On the Order:

Resuming the adjourned debate on the inquiry made by Right Hon. Sir George E. Foster:—

That he will call the attention of the Senate to the work of the League of Nations for 1926 and invite discussion of the advisability of the Government's adherence to section 36 of the Protocol of signature of the Permanent Court of International Justice.

Hon. Mr. DANDURAND: Honourable gentlemen, I am violating the directions of my doctors, who have allowed me to come to Ottawa on the understanding that I should not speak. I suggest that this matter be taken up to-morrow. To-morrow may be the last day of the session, and we must attend to our work. When I say it may be the last day, I mean provided that we have finished our work.

Right Hon. Sir GEORGE E. FOSTER: Or even later than to-morrow. That may carry my honourable friend over the summer holidays.

Hon. Mr. DANDURAND: I may tell my honourable friend that I have an answer in my hand.

Right Hon. Sir GEORGE E. FOSTER: What I am specially interested in is having these papers before I see the back of my honourable friend receding towards Montreal.

Hon. Mr. DANDURAND: I am under the impression that we shall have to sit this evening; so I will simply postpone the answer until then. It may take ten or fifteen minutes.

The order stands.

SESSIONAL EMPLOYEES OF THE SENATE

REPORT OF COMMITTEE

Hon. Mr. DANIEL moved concurrence in the tenth Report of the Standing Committee in Internal Economy and Contingent Accounts.

Hon. Mr. DANDURAND: Is this the Report that has to do with the pay of Sessional employees?

Hon. Mr. DANIEL: This is the Report which was postponed at the honourable gentleman's request.

Hon. Mr. DANDURAND: It has been suggested to me that instead of the Senate coming down to the level of the Commons, I should make an effort to bring the Commons up to the level of the Senate. I would not boast of having accomplished that feat, but I really believe that the Commons will come up to our level; so I withdraw.

Hon. Mr. DANIEL: I am very glad to hear that statement.

Hon. Mr. TANNER: There is in connection with this report a small matter to which I wish to draw attention. In the Reading Room of the Senate we have two men, known as curators. It has been the understanding and intention of the Senate that they should each receive identically the same salary, but it happens that although there was a recommendation one or two years ago, one is receiving $240 below the other. I understand that this Committee made a definite recommendation to equalize salaries, but for some reason it never went into effect. One man, who was the second appointed, is receiving $1,400, while the other curator is receiving $1,640. The Committee's judgment has always been that the two men should be on the same level; therefore I am going to ask the Senate to approve of an amendment to this report in order to rectify the situation:

That the report be amended by adding at the end of the second paragraph—"and that the annual salary of the joint curator of the Reading Room by increased from the 1st of April, 1927, by the sum of $240.

That will put him on the same salary basis as the other curator.

Right Hon. Sir GEORGE E. FOSTER: I would like to hear from the Chairman of the Committee on Internal Economy. It seems to me that the orderly way of proceeding is to have all these matters submitted to the Committee, and we should have their judgment upon them. To have each individual Senator come in at a time like this, and move a motion in favour of some particular officer, puts the other Senators in the position of either opposing the motion or letting it pass through, and one does not care to put up opposition against a brother Senator in that way. Has the matter been before the Committee, and has it been examined? And what is their opinion about it? Should it not come as a report from them?

Hon. Mr. DANIEL: I think that this recommendation was made two years ago by the Internal Economy Committee, and adopted unanimously by this Chamber. Personally I am very glad to testify to the good conduct and capability of the official referred to, and would have much pleasure in accepting the amendment as added to our report. I think that young man is entitled to the increase and that he is really the more efficient of the two curators, and if we can do anything to help him it would be well. He is a married man with a family, and is getting only $1,400 a year, which is not very high remuneration under present circumstances.

I hope that the honourable leader of the House will take this matter into his favourable consideration and see that the recommendation now offered, if adopted by the Senate, becomes effective by being accepted also by the Treasury Board. I understand that that Board did not place the item in the estimates on the previous occasion, and thus our recommendation was not carried into effect. I have been told that in the present estimates action similar to what I propose has been taken by the House of Commons in two or three cases.

Hon. Mr. STANFIELD: Four or five.

Hon. Mr. DANIEL: Amounts have been added to the salaries of three or four clerks under similar circumstances. I think the

honourable leader of the Government would be well advised to have this matter put into effect. I think the beneficiary is very worthy of this increase to his salary.

Hon. Mr. DANDURAND: When the Internal Economy Committee failed to obtain the consent of the Treasury Board was it simply on this recommendation, or were there others at the same time?

Hon. Mr. DANIEL: I think this was the only one. The Clerk would know.

Hon. Mr. DANDURAND: The Clerk of the House tells me there were three. I do not know whether the resolution of the Internal Economy Committee which was passed last year could be utilized to cover the three cases, but at all events if this is merely reaffirming a decision of that Committee to be carried to the Treasury Board, it means that it will have to be included in the estimates of next year, because no money has been voted.

Hon. Mr. DANIEL: Well, I think that can be done. We could manage to look after it this year, and have it put in the estimates for next year.

The Hon. the SPEAKER: I would like to say, for the information of honourable gentlemen, that I do not think it is necessary that this should go to the Treasury Board at all. If the Senate agrees to the amendment of the report, that is all that is necessary; that is, if they want to have the money paid.

The amendment of Hon. Mr. Tanner was agreed to.

The report as amended was concurred in.

CRIMINAL CODE BILL

SECOND READING NEGATIVED

Hon. Mr. DANDURAND moved the second reading of Bill 239, an Act to amend the Criminal Code.

He said: We had considerable discussion last year as to withdrawing sections 97A and 97B of the Criminal Code, chapter 146 of the Revised Statutes, 1906, as enacted by chapter 46 of the statutes of 1919, which concerned unlawful associations, publishing seditious books, etc. This legislation was brought in by the Government in 1919 after the Winnipeg effervescence.

Hon. Mr. McMEANS: Winnipeg what?

Hon. Mr. DANDURAND: Winnipeg effervescence.

Hon. Mr. STANFIELD: A good word.

Hon. Mr. DANDURAND: Well, it is the first word that came to my lips. My honourable friend must not forget that sometimes I have not much chance to pause for an exact expression in English, which is only my second tongue.

Hon. Mr. GRAHAM: Your first choice was good.

Hon. Mr. DANDURAND: It is held that this legislation, which is exceptional, is somewhat of a blot on our statue book, because it is most extravagant in its terms. It allows of the least suspicion being turned into a presumption of guilt. We had in 1891 or 1892 a codification of our criminal statutes, and I really believe that we should now return to the standard legislation, since we have rather attained normalcy. After the war a considerable number of people were somewhat afraid that the movement in Russia would shake the whole fabric of our institutions, and that we needed such exceptional and harsh legislation to protect the nation.

I think we should give an example of the confidence that we have in the common sense of our population if we simply wiped out these two sections. The explanations cover a whole page in marginal notes. The clauses are really for a peace-living country like ours. We rely upon our own criminal laws as the best means of coping with sedition. We have Acts which cover any attempt to violate the laws of Canada. We can cope with and reach such attempts through our standard and normal legislation.

I will not reiterate all the arguments that were advanced pro and con. I move the second reading of this Bill.

Hon. Mr. DANIEL: I would like to ask the honourable leader of the Government whether the laws outside of this statute are quite sufficient for dealing with the people described in the sections which we are now asked to repeal. If that were so, why was it necessary to insert these clauses in the Criminal Code?

Hon. Mr. DANDURAND: I thought I had covered that ground. Everybody was nervous in 1919; everybody was afraid of what would happen to the world. We had some specimens of the Bolshevik element in a few places in our country, and we wondered if that new doctrine which had been brought into the world by Lenin and Trotsky would not sweep this country and transform or revolutionize our institutions. There was a little flurry in Winnipeg—this is another qualification.

Hon. Mr. McMEANS: Another word.

Hon. Mr. DANIEL: That is rather a new name for it, is it not—a little flurry?

Hon. Mr. DANDURAND: It has toned down, and we have now returned to normalcy. The Minister of Justice is in an excellent position to know how we can cope with any special case that could possibly be dealt with under these two clauses. He has at his elbow the Mounted Police, who look after the activities of the advanced thinkers of Canada, and he has daily reports of what is going on. I was Acting Minister of Justice myself for four months, and I was surprised at the information which we could gather. The whole Department of Justice, having the executive force of the Mounted Police, knowing its agents, and having their reports, are not at all disturbed as to the sufficiency of our criminal law, independently of these two clauses of the Act—which were the result of a passing emotion—to cope with whatever difficulty may arise.

The Hon. the SPEAKER: Honourable gentlemen, I understand that some honourable gentlemen want to speak on this matter so I will put the motion and then just call it 6 o'clock.

Hon. Mr. DANDURAND: No. I thought that to put the motion now might perhaps shorten the speeches, if there is a chance to clear the order paper before dinner.

Hon. Mr. McMEANS: Honourable gentlemen, this question has been so often discussed in this House that, as the honourable leader of the Government has said, it is not necessary to enter into any further arguments in connection with it. Since the Act has been in force I know of no case in which any one has suffered either under it, or under certain clauses of the Immigration Act, which will also come before us in connection with a Bill to repeal them.

If this Bill is passed, the whole effect, as I understand it, would be this, that if a man came into this country with the avowed intention of overthrowing, by force the established state of affairs, we would not be allowed to deport him. He must first commit a crime, and then must be tried and found guilty before we could ask him to go back to the country from which he came. Now, I know of no country that receives immigrants under such conditions. We find that the United States will deport any man whose avowed intention is to upset by force the established form of Government.

Hon. Mr. GRIESBACH: If he even advocates the idea.

Hon. Mr. McMEANS: I might put it in this way. Suppose the honourable leader of the Government is owner of a vast estate, a vast country, and he goes throughout the world and says: "Come into the estate that I possess. I will provide for you. I will make it easy for you to come. You shall have all the freedom you like. You may live on this estate, and you may parcel out the land among yourselves, and obtain a title to it." Among the number of people who take the benefit of his offer he finds some who come with the avowed object of murdering him and taking his position in connection with that estate, and overturning the whole of the estate's affairs. When he finds that out he goes to one of the gentlemen who has that avowed intention, and asks him to leave. But the individual says: "No, you cannot ask me to leave the country; according to the laws of the country I am here, and I am going to do just as I please, and I intend to stay here."

Then he goes to his lawyer and says: "Here is a man who has come into this territory of mine and is going to murder me, and I am asking him to leave before he commits the murder." But his lawyer says: "No; the man must first commit the offence; he must murder you first, and then if he is found guilty we might ask him to leave the territory."

There is nothing in the Act that puts any hardship upon any individual who comes into this Canada of ours with the usual intention of earning his living and taking advantage of all the conditions which the rest of us enjoy in this country.

The honourable gentleman seems to think that the Minister of Justice has the matter so well in hand that he can at once tell if any of those objectionable and undesirable people have come into the country. But supposing he knows, or supposing he has information, what can he do with the individual? He cannot ask him to leave the country. The law says: "No, you cannot ask this man to leave until he has committed a crime, and until you have tried him for it and proven him guilty; then you may punish him for the crime, and may ask him to leave the country."

The object of the Act was to prevent the commission of the offences named in it. Surely this country has a right to say to any undesirable citizen who comes from abroad that we do not want him here, and he must go to some other place to teach the nefarious doctrines which it was his intention to teach when he came here.

The Minister of Justice may know about certain things, but I venture to say that there is a lot of revolutionary doctrine being taught in this country that the Minister of Justice

does not know anything about. I ask, what is taking place even now in China? If we are to be guided by what we see in the public press of the country we know that the teachings that emanated from Russian teachers who went into China have created a great deal of trouble, not only for the people of China but for the British people. There is in Canada to-day an element that is instructed direct from Russia; there are doctrines being openly preached and taught in small communities throughout the West, advocating the overthrow of the present Government or of all Governments, by force, I venture to say that the Minister of Justice does not know one-half of them.

I have not yet come across a case, and I do not think the honourable gentleman can tell of a single one, in which a man has been deported under the Act as it is. It would be absolutely wrong to throw the Act aside, and open wide the doors for the admission of undesirables, and deprive ourselves and the people of Canada of the right to require a man to leave this country if we had information that he had come into this country for the purpose of teaching doctrines of anarchy, or urging that the Government of this country should be overthrown by force. What harm has this Act done?

The honourable gentleman coins a new word in regard to a revolutionary strike when he calls it an "effervescence." It was a pretty serious "effervescence," and if it were not for the Committee of One Thousand, in the city of Winnipeg, who undertook to maintain the supply of water, bread and other necessaries, and to respond to fire alarms, I do not know where we should have been. There is no necessity of discussing that question now, however: the water has gone over the dam; but if the people who held those doctrines of violence had entered this country in larger numbers, and if we could not deport them what would have happened? Many of them came from different parts of the States and from other countries. I will not take up the time of this honourable House in repeating what was said before, not only by myself, but by several other members on this side of the House. I am strongly convinced that it would be a mistake to repeal the sections at the present time. Under them nobody has suffered, and no reasonable man can suffer.

Hon. Mr. DANDURAND: My honourable friend may have given a good argument, but it is on another Bill. The present Bill is one to amend the Criminal Code. The honourable gentleman has spoken against the Immigration Bill.

Hon. Mr. McMEANS: Well, the same argument applies.

Hon. W. B. ROSS: It is practically the same thing.

Some Hon. SENATORS: Question!

The motion for the second reading was negatived: contents, 13; non-contents, 21.

IMMIGRATION BILL

MOTION FOR SECOND READING NEGATIVED

Hon. Mr. DANDURAND moved the second reading of Bill 269, an Act to amend the Immigration Act.

He said: Honourable gentlemen, I want to make it very clear that I rise to defend the Britisher. I did so last year, perhaps without much success. However, I know that I satisfied this Chamber that my interpretation of the Act was a correct one. The clause which is to be repealed—

Hon. W. B. ROSS: How do you know?

Hon. Mr. DANDURAND: —if the majority views the matter as I do, permits of the deportation of persons other than those who have been born in Canada or are naturalized Canadians under the definition of the Act. Deportation does not apply to the persons in those two classes—the Canadian born and the naturalized Canadians.

Anyone may hold views without affirming them in such a way as to come under the criminal law. Some countries in Europe are somewhat more radical and communistic in their doctrines than we are. They look at things from a different point of view. Once naturalized in Canada, a person cannot be deported. He may fall under the terms of Section 41 of the Act, but as he has renounced his country of origin and becomes a Canadian, like his brother Canadians, there is no country to which he can be deported. But in a most explicit way we have retained the right to deport a British-born person who may have been in this country more than five years and may have obtained, under another clause, Canadian citizenship. For the purposes of this Act such a person, though he may have been in this country for twenty-five years, is liable to be deported as an undesirable.

Hon. Mr. DANIEL: Not if he has Canadian domicile.

Hon. Mr. DANDURAND: Oh, yes. My honourable friend, if he examined the Act, would find that the only people who do not fall under this are persons who are Canadian citizens within the meaning of the definition in the Act; that is, the Canadian born, or

foreigners who have obtained naturalization in Canada. A person born in London, for instance, could not obtain naturalization papers here, because he is already a British citizen. The British born were purposely excluded from the proviso, because some of them were considered to be of the type of the so-called soap box orators of Hyde Park. It was such men that the authorities desired to be able to send back home if they pleased.

Hon. Mr. GRIESBACH: Why not?

Hon. Mr. SHARPE: They were the worst kind we had in Winnipeg during the strike of 1919.

Hon. Mr. DANDURAND: I am not discussing that, but I say that the class of people who may be deported are people from the British Isles and other parts of the Empire, who are not regarded as Canadian citizens under this clause. Say I am a naturalized Canadian and have been in this country ten years. You cannot treat me as an undesirable.

Hon. Mr. GRIESBACH: Does not one argument answer the other? You take a foreigner and naturalize him. You cut him off from his own country. You cannot send him back, because he has foresworn his allegiance. But the British subject is in the fortunate position of being at home anywhere in the Empire, and if he makes a nuisance of himself here you send him back. It is the simplest thing in the world.

Hon. Mr. DANDURAND: The simplest thing in the world, but in one of the sister countries it seems to be pretty harsh treatment to apply to a fellow-Britisher, when you cannot apply such treatment to a foreigner who becomes a naturalized citizen.

Hon. Mr. SHARPE: Has it been applied to any person during the time the Act has been in force?

Hon. Mr. DANDURAND: Perhaps not. Honourable gentlemen, all I desire to add is that if we strike out that clause—I have stated that his honour the Speaker was amenable to it—

Hon. Mr. STANFIELD: No danger, though.

Hon. Mr BEIQUE: Is the honourable gentleman (Hon. Mr. Dandurand) bearing in mind the proviso?

Provided, that this section shall not apply to any person who is a British subject, either by reason of birth in Canada, or by reason of naturalization in Canada.

Hon. Mr. DANDURAND: That is just what I have been emphasizing. An exception is made with regard to those two clauses, but not with regard to the Britisher from London, who does not belong to either class.

Hon. Mr. BEIQUE: He is a British subject.

Hon. Mr. DANDURAND: But read on.

Hon. Mr. BEIQUE: (reading):

A British subject, either by reason of birth in Canada or by reason of naturalization in Canada.

Oh, I see.

Hon. Mr. DANDURAND: So I say that if we repeal that clause, the people who can now be reached by it and deported can all be reached by clause 40 and be tried before a tribunal in Canada. Again I would point out that this is an exceptional law, and if we withdraw that clause we still remain fully armed to protect this country against the plague of communists and anarchists. I move the second reading of the Bill.

Hon. W. B. ROSS: Honourable gentlemen, the honourable member for Winnipeg (Hon. Mr. McMeans) has stated the case—all that need be said of it. I desire simply to point out that the Britisher whom the honourable gentleman (Hon. Mr. Dandurand) wishes to take care of is just the rascal who should be dealt with. He comes from Britain to this country, and he ought to know better than to come here and cause trouble. If he is sent home it serves him right.

The motion for the second reading was negatived: contents, 10; non-contents, 28.

THREE RIVERS HARBOUR COMMISSIONERS BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 302, an Act to amend the Three Rivers Harbour Commissioners Act, 1923.

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

CONSIDERATION IN COMMITTEE DISPENSED WITH

Hon. Mr. DANDURAND moved that the Senate go into Committee on the Bill.

Hon. Mr. STANFIELD: I understand that there is only a slight amendment to be proposed. Could not the honourable member make it on the third reading?

Hon. Mr. DANDURAND: That would be more expeditious.

Hon. W. B. ROSS: Yes. Dispense with the Committee stage.

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

Hon. Mr. BUREAU: Honourable gentlemen, I desire to move that the Bill be not now read a third time, but that it be amended in the following manner:

That all the words after the word "Nicolet," in the 22nd line thereof, be stricken out and the following substituted therefor:

"The eastern boundary shall be the prolongation of the eastern boundary of the city of Three Rivers across the St. Lawrence river to the south shore of the said river."

I may say that I have had an interview with the Minister of Marine, who accepts the proposed amendment. The object of the clause as it is in the Bill was to take from the Harbour of Three Rivers certain territory lying in the County of Champlain. In so doing the Bill went further and cut off a part of the City of Three Rivers from the harbour limits. The purpose of this amendment is to prevent that, and so that there may be no mistake we make the easterly boundary of the city of Three Rivers the easterly boundary of the harbour.

The proposed amendment was agreed to.

The Bill, as amended, was read the third time, and passed.

LIVE STOCK AND LIVE STOCK PRODUCTS BILL

THIRD READING

On the Order:

The House in Committee of the Whole on Bill 229, intituled "An Act to amend the Live Stock and Live Stock Products Act, 1923."

Hon. Mr. DANDURAND: This Bill has been given very close attention. I wonder whether it is necessary to go into Committee.

Hon. W. B. ROSS: No.

Right Hon. Sir GEORGE E. FOSTER: It is largely a departmental affair.

Hon. Mr. DANDURAND: Then I move that we dispense with the Committee stage, and that the Bill be given the third reading.

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

The Senate adjourned until to-morrow at 11 a.m.

THE SENATE

Wednesday, April 13, 1927.

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

INTERNAL ECONOMY OF THE SENATE

APPROPRIATIONS

On the Orders of the Day:

Hon. Mr. BEIQUE: Before the Orders of the Day are called, may I be permitted to refer to a suggestion which was made yesterday by the right honourable member from Ottawa (Right Hon. Sir George E. Foster) in connection with the amendment which was made to the Report of the Committee on Internal Economy and Contingent Accounts. I have no fault to find with what was done yesterday; it involved only a small amount, and I do not intend to criticize it at all; but I ask whether it would not be proper to amend our rules to this effect: that no appropriation shall be made on moneys at the disposal of the Senate except upon and in virtue of the adoption of a Report of the Standing Committee on Internal Economy and Contingent Accounts and previous full consideration by that Committee. I think that both leaders of the House might consider whether at the opening of next Session the rules should not be amended in that direction.

Hon. Mr. DANDURAND Honourable gentlemen, I am fairly in accord with that suggestion of my honourable friend. Some fifteen or twenty years ago a decision to that effect was arrived at by the Senate. Up to a certain time there had been occasional motions made in this Chamber varying the report of the Internal Economy Committee, and the door was opened to solicitations that were absolutely unseemly. Then, after a declaration of the will of the Senate, the question was settled, not by a rule, but by a general understanding.

If this suggestion meets with the views of honourable members of the Senate, I would ask the Clerk of the Senate to kindly take note and to remind us of it at the opening of next Session, so that we may pass upon it.

THE IMPERIAL CONFERENCE, 1926

DISCUSSION CONTINUED

The Senate resumed from yesterday the Debate on the inquiry of Hon. Mr. Griesbach:

That he will call the attention of the Senate to the Report of the Imperial Conference, 1926, and will enquire of the Government in what directions and to what extent it proposes to act upon the same.

Hon. F. L. BEIQUE: Honourable gentlemen, I purpose to take but a short time of this honourable House to analyze the result of the work of the last Imperial Conference. It will enable us, I believe, to realize better the extent and importance of the field covered by the report of the Inter-Imperial Relations Committee and the remarkable, statesmanlike manner in which the whole matter was dealt with.

The report of the Inter-Imperial Relations Committee, prepared and signed by Lord Balfour as Chairman, is too important not to be the object of consideration and debate in this House as well as in the House of Commons. I should have expected, however, that it would have been examined in both Houses on its merit only, and without any party preoccupation whatsoever.

As agreed by all who have taken part in the debates, in this House as well as in the House of Commons, the report is merely the expression of the opinion of the distinguished members of the Conference, and is advisory only. We have it both from the Prime Minister and the Minister of Justice that at the opening of the Conference they made it clear that they were there as representatives of the Dominion of Canada to confer with representatives of other Governments of the Empire to reach such conclusions as it might be possible to reach, and then to report them to this Parliament, but with no authority whatever to bind the latter.

I agree with the suggestion that if the report were simply laid on the table without being followed by any discussion, we might be held in the future to have acquiesced in the opinion, or pronouncements, contained therein. Hence, the propriety of giving the report all the attention it deserves.

The House heard yesterday—I am sure, with satisfaction—the clear statement which was made by the honourable leader. It was in the proper tone in every respect.

Th Prime Minister was criticized for having made his statement on the Report on the motion of the Minister of Finance that the House go into Committee of Supply, instead of making a motion expressing the approval by the House of the proceedings of the Conference, as he had previously stated he would do. I do not think it matters much in what form the report was brought to the attention of Parliament, and the course followed seems to have been the best. If I am not mistaken, it was the course followed in England, and while affording opportunity to all members to criticize and express freely their opinion on the report, it left to any of them who might choose to present a motion of disapproval the full responsibility of doing so.

The report may be divided into two parts. The main and first part deals with and defines the present constitutional position and mutual relations of the group of self-governing communities, composed of Great Britain and the Dominions. According to the Report,

> They are autonomous communities within the British Empire, equal in status, in no way subordinate one to the other in any respect of their domestic or external affairs, though united by a common allegiance to the Crown, and freely associated as members of the British Commonwealth of Nations.

That is followed by this qualification:

> Free institutions are the life blood of the British Empire. Peace, Security, and Progress are among its objects. And though every Dominion is now, and must always remain, the sole judge of the nature and extent of its co-operation, no common cause will, in the opinion of the members of the Committee, be thereby imperilled.

It would have been difficult to use more precise, clearer, or more comprehensive language.

The second part of the Report deals with "existing administrative, legislative and judicial forms, dating back to a time well antecedent to the present stage of constitutional development, and which are not wholly in accord with the position as described above." As to some of those forms—such as the title of His Majesty the King, the position of Governors General, Treaties, procedure in relation to and form of Treaties with foreign nations, the abolition at the will of any of the Dominions of the right of appeal to the Judicial Committee of the Privy Council—the Committee felt prepared to pass upon them. As to the other questions—such as the reservation of Dominion legislation for the signification of His Majesty's pleasure, and the exercise of His power of disallowance; the difference between the legislative competence of the Parliament at Westminster and of the Dominion Parliament, in that Acts passed by the latter operate, as a general rule, only within the territorial area of the Dominion concerned; the operation of legislation passed by the Parliament at Westminster in relation to the Dominion, such as the Colonial Laws Validity Act—the Committee came to the conclusion that the issues involved were so complex that there would be great danger in attempting any immediate pronouncement other than a statement of certain principles, which in its opinion underlie the whole question of Dominion legislation. The Com-

mittee further expressed the opinion that in the future, uniformity of legislation, as between Great Britain and the Dominion, could best be secured by the enactment of reciprocal statutes, based upon consultation and agreement; that with regard to disallowance and reservation of Dominion legislation, it should be placed on record that apart from provisions embodied in constitutions, or in specific statutes, expressly providing for reservation, it is recognized that it is the right of the Government of each Dominion to advise the Crown in all matters relating to its affairs; that the appropriate procedure with regard to projected legislation in one of the self-governing parts of the Empire, which may affect the interests of other self-governing parts, is previous consultation between His Majesty's Ministers in the several parts concerned; that with regard to legislation having extra-territorial effect it should similarly be placed on record that the Constitutional practice is that legislation by the Parliament at Westminster applying to Dominions would only be passed with the consent of the Dominion concerned. It was felt that, for the rest, it would be necessary to obtain expert guidance as a preliminary to further consideration by His Majesty's Government in Great Britain and the Dominions, and that steps should be taken by them to set up a Committee with terms of reference on the lines mentioned in the Report.

As to Merchant Shipping legislation, it is suggested that it be likewise referred to a special sub-committee, invited "to consider and report on the principles which should govern, in the general interest, the practice and legislation relating to merchant shipping in the various parts of the Empire, having regard to the change in constitutional status and general relations which has occurred since existing laws were enacted."

On reading the report, one can easily see that it was prepared by a statesman of great ability, which is still more apparent if we refer to a discussion between Lord Parmoor and Lord Balfour in the House of Lords. I will refer to only a small part of the debate, which deserves to be read again. I will give, not the full reference, but only the main part. Lord Parmoor said:

> No one can say that the dominions, for instance, are in no way subordinate to the British parliament in any aspect of their domestic or external affairs. They are subordinate, not only in theory but in practice, in constitutional practice, in many directions both as regards their domestic and their external affairs.

And a little further on:

> It has been authoritatively laid down that the obvious purpose and meaning of the Colonial Laws Validity Act are to reserve the right of the imperial legislature to legislate for the colonies to which a local legislature has been given, and to make it impossible for the colonial legislatures to enact anything repugnant to the imperial legislature, but not otherwise to derogate from its general legislative authority. As a matter of fact, under the Colonial Laws Validity Act and what is known as the principle of reservation, a series of matters has been reserved or kept under the jurisdiction of the British parliament at Westminster. For this reason: although you may lay down a principle of this kind in very wide language, yet when you come to its operation you will find that in a considerable number of cases what may appear to be a mere act of a local legislature of a dominion is of a character that may substantially—I use that word purposely because it is a word that has been applied in legal language—affect the interests of the mother country.

To this Lord Balfour answered in part as follows:

> I must honestly say that to this part of the speech I have the most fundamental objection. He seems to me to have approached the subject entirely in the wrong spirit. He does not deny that he sympathizes with those declarations; he does not deny that that is the sort of idea that he himself cherishes; but he says: "What folly to lay down the general principles on which this empire is now constructed. I think you should first settle all the preliminary details, and smooth away all the technical difficulties which have their origin in the long history of our overseas dominions."

Lord Balfour continues:

> I cannot imagine any policy from which I more profoundly differ. You are to set yourself every kind of problem, every sort of difficulty which may conceivably arise in the course of applying the broad principles of equality of status before you dare to announce that equality of status exists.
>
> Can anything be more legal or less statesmanlike? I cannot even put myself in the frame of mind of the noble Lord on that subject. He asks, for instance, if the Dominions want to separate from us what exactly would happen then, what sort of notice ought to be given, by what procedure would it be done? You might as well consider all the causes of divorce before you decide upon the problems of matrimony.
>
> Does not the noble Lord see that it would be impracticable for the conference of the Dominions and the Mother Country to meet at Westminster to say: "Well, on the whole we are inclined to think the idea of empire is one to which we may all look forward and which will embody equality of status, but just think of how many questions we must decide before we get to that point. Here is this difficulty and there is another difficulty arising out of the act of 1865. There are all these problems with regard to the Merchant Shipping Act. We must settle all those before we decide on what principle this collection of self-governing states is to work together." I boldly say to your Lordships'

House that that is from beginning to end the wrong way of going to work. We have gone on exactly the opposite way.

I said in reference to the relations between the mother country and the dominions—

—in a previous speech he had made—

"My own personal view is that the relations are those necessary of equality. None of us conceive that of this conglomeration of free states one is above the other. One may have more responsibility than another, one may be in more dangers than another, one may be closer to the centre of international complications than another, but all are on an equality. That is the very essence, as I understand it, of the British Empire. As to exactly what that equality involves, as to exactly what degree of responsibility each has for the other, on that I personally think very little is gained by refining, discussing or defining."

Then he concludes:

Remember exactly what the position is. In this country we are all familiar with the idea of equality between the self-governing portions of the empire. I will not give the quotations, but it has been stated by various high authorities for the last quarter of a century and has never, I think, been formally contradicted within these shores. But that is not the position in all the Dominions. In many of the Dominions there is a minority—in most cases, I daresay, a very small minority—who are always following the train of thought which recommends itself so much to the noble Lord. They are always looking at these survivals of an earlier past and saying: "how can you consider that we in this or that Dominion are on an equality with the mother country when we find still unrepealed this or that statute? If you are to allow that kind of statement to go uncontradicted, unqualified by the broad considerations of equality with which you ought to begin, of course you can get in an audience mixed up in local controversy a certain amount of opinion in favour of the assertion that, whatever talk may go on in England, in this or that Dominion things are far otherwise and the boasted equality between the various self-governing parts of our empire does not, in fact, exist. It does, in fact, exist.

What is contrary to the fact are these survivals of a previous condition of things, survivals which have no practical effect, which have no practical interference with that quality which each part of the self-governing parts of the empire may justly claim for itself, but which no doubt can be set out in a formal document which, if you choose to treat the whole thing as purely a question of law, might have an effect, and as I believe has had an effect, in local controversies overseas. There is but one way of getting rid of that difficulty, and getting rid of it forever, and that is to take advantage of the presence within our shores of the Prime Ministers, who are representative each of his own Dominion, meeting round a table discussing this question in all its aspects and coming unanimously to the conclusion which I have ventured to say represents British opinion, and to agree that it may be desirable to consider this or that difficulty in the future, but that the broad principle—never interfered with on any important point—stands, that no control is exercised by any single one of the self-governing parts of the empire over any other part of the empire.

I wish I could find appropriate words to express my admiration of the manner in which constitutional questions are thus dealt with by British statesmen.

It is the duty of the Senate, in examining the report, to ascertain whether there is any ground for dissent from any of the pronouncements contained in it; whether the program, as laid out by the Committee referred to, is proper; or whether there is room for other suggestions, and what the suggestions are. For my part, after having given the report my best attention, I have no criticism whatever to make of any of its pronouncements.

The honourable member from Montarville (Hon. Mr. Beaubien) directed the brief remarks he made to the question of appeals to the Judicial Committee of the Privy Council. Is there any honourable gentleman here who is really against the policy of His Majesty's Government in Great Britain, as expressed in the report, which states that questions affecting judicial appeals should be settled in accordance with the wishes of the part of the Empire primarily affected, it being generally recognized, however, that changes which primarily affect one part, but raise issues in which other parts are also concerned, ought to be carried out only after consultation and discussion?

Is there not here an implied acknowledgment of the rights of the Provinces to be consulted in the matter, and likewise in the following part of the report, which I will read again?

The appropriate procedure, with regard to projected legislation in one of the self-governing parts of the Empire, which may affect the interests of other self-governing parts, is previous consultation between His Majesty's Ministers in the several parts concerned.

I claim that "the several parts concerned" comprise the Provinces.

It seems to me that, so far as Canada is concerned, the constitutional development dealt with in the report inures to the benefit of both the Dominion and the Provinces, each in their own sphere or jurisdiction. I agree with the honourable member for Montarville that we, as members of the Senate, are, or should be, guardians of provincial rights and rights of minorities, and that if we believed that the right of appeal to the Judicial Committee of the Privy Council is a protection for the Provinces or for minorities, and if, by reason of constitutional develop-

ment or otherwise, it were abolished, it would be our duty to insist on its being replaced, if possible, by other safeguards equally effective. The abolition of the right of appeal to the Judicial Committee of the Privy Council from judgment rendered by the Supreme Court or other Federal courts should not necessarily prevent it from being maintained in regard to judgments rendered by provincial courts, if any of the Provinces so desired.

The apprehensions which have been expressed have reference to the danger that oppressive legislation may be passed in the future by the Parliament of Canada, such as laws in relation to education, or laws to abolish the use of the French language where its use is guaranteed by the Constitution. If a future Parliament were disposed to go to such extremes, I doubt that judgments of the Judicial Committee would be effective, deprived as they would be of legislative or military sanction.

I am not prepared to suggest, in a concrete form, what should take the place of the Judicial Committee of the Privy Council, if the appeal to that Committee is to be abolished, but I am inclined to think that it could be done by an agreement between the Dominion Government and the several Provinces, and the creation of a new division of the Supreme Court of Canada, which would be set in motion only as provided in such agreement, and presided over by a given number of judges of the Supreme Court and an equal number of judges of Provincial courts. The only suggestion I am prepared to make now is that future Imperial Conferences be requested to determine the best mode which can be found for the protection of provincial rights and rights of minorities consonant with our constitutional status.

In closing these remarks, I would like to refer to an article published recently by one of our leading newspapers, which reflects, I believe, the sober appreciation of the report of the Imperial Conference by the public generally. In doing so, I will take the liberty of changing a very few words which might be taken as party politics:

> Whatever the critics may say, the country has virtually accepted the report. It would be surprising to find the Canadian people taking any other position.
>
> The committee on inter-Imperial relations, which drafted the vital part of the report, consisted of Lord Balfour as chairman, the prime ministers of Canada, Australia, New Zealand, South Africa, Newfoundland, the vice-president of the executive council of the Irish Free State, British cabinet ministers for India, foreign affairs and dominion affairs, and other ministers and members of the conference were called in for particular meetings. Under the sage guidance of Lord Balfour, they produced a document of great constitutional significance.
>
> Premier Mackenzie King told the House, in the debate last Tuesday, that throughout the conference an effort was made, not to discover points of difference, but points of agreement. How well they succeeded is to be seen in the report. It is a monument to British statecraft, including the statesmanship of Canada's reprsentatives.
>
> Mr. Guthrie's endeavour, as opposition critic, would seem to be to raise fear in the province of Quebec concerning the effect of the report on provincial rights. He heartily agreed with the greater part of the report, but said that he saw in it also "elements of the gravest danger to the people of Canada".
>
> Among the imaginary dangers, he spoke of the possibility of Canadian citizens being denied the right to appeal to the judicial committee of the British privy council. He interpreted the report of the conference to mean that, if it be the will of the parliament of Canada to prohibit appeals to the privy council, parliament would prevail.
>
> After stating this suppositional danger, Mr. Guthrie quite easily imagined another dread possibility, as follows:
>
> Why, if appeals to the privy council were abolished to-day, I see no reason why this parliament could not pass a law abolishing the use of the French language in this chamber.
>
> He might just as well say that parliament could pass a law abolishing speeches in the House of Commons. There is no limit to imagination in that field. It would be just as easy to describe Canada as facing grave dangers because of some sections of the British North America Act.
>
> The simple answer is that it is part of the nature of British statesmanship to make documents and statutes to serve the needs of the nation.
>
> Constitutional documents have an important place, however, in the edifice of popular government. The report of the Imperial Conference, under discussion, should prove to be of permanent value and help to the British Empire.

I have nothing to add and I hope that the discussion will be continued by this House, at the present or at some future Session, so that the views of honourable members may be placed on record.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, I have listened with great interest to the valuable contribution to this discussion which has been given by my honourable friend who has just taken his seat. I also listened with interest to the spirited criticism with which the discussion opened, and to the able pronouncement of my honourable friend the leader of this House, from the Government point of view.

I think we have laid the foundation for a continuance of the discussion on an enlarged

scale, and I trust advantage will be taken of the opportunity by many members of this Chamber. Time is not at our disposal at present to continue the debate, and with the leave of this Chamber I beg to move its adjournment.

The Hon. the SPEAKER: Until to-morrow?

Right Hon. Sir GEORGE E. FOSTER: It will be simply an adjournment.

The Hon. the SPEAKER: I would point out that that is really not necessary. It is an inquiry.

Hon. Mr. DANDURAND: Because the question will have to be revived in some form.

Right Hon. Sir GEORGE E. FOSTER: All right.

THE LEAGUE OF NATIONS

DEBATE CONCLUDED

The Senate resumed from yesterday the adjourned debate on the inquiry of the Right Hon. Sir George E. Foster:

That he will call the attention of the Senate to the work of the League of Nations for 1926 and invite discussion of the advisability of the Government's adherence to section 36 of the Protocol of signature of the Permanent Court of International Justice.

Hon. RAOUL DANDURAND: Honourable gentlemen, I am sure that I express the view of the Senate when I say that we have been very much interested in the statement made by the right honourable gentleman, the junior member from Ottawa (Right Hon. Sir George E. Foster), on the action of the League of Nations at its last sitting. The honourable gentlemen gave us a very clear view of the numerous activities of the League of Nations. I join with him in his appreciation of the Secretariat, which is composed of very high class men.

The right honourable gentleman has asked why the Government has not adhered to section 36 of the Protocol of Signature of the Permanent Court of International Justice. I may read the resolution passed by the Assembly of the League of Nations on the 13th of December, 1920, which bears on the constitution of that Court.

1. The Assembly unanimously declares its approval of the draft Statute of the Permanent Court of International Justice—as amemded by the Assembly—which was prepared by the Council under Article 14 of the Covenant and submitted to the Assembly for its approval.

2. In view of the special wording of Article 14, the Statute of the Court shall be submitted within the shortest possible time to the Members of the League of Nations for adoption in the form of a Protocol duly ratified and declaring their recognition of this Statute. It shall be the duty of the Council to submit the Statute to the Members.

3. As soon as this Protocol has been ratified by the majority of the Members of the League, the Statute of the Court shall come into force and the Court shall be called upon to sit in conformity with the said Statute in all disputes between the Members or States which have ratified, as well as between the other States, to which the Court is open under Article 35, paragraph 2, of the said Statute.

4. The said Protocol shall likewise remain open for signature by the States mentioned in the Annex to the Covenant.

Fifty states ratified the constitution of the Court, among them being Albania, Australia, Austria, Belgium, Bolivia, Brazil, British Empire, Bulgaria, Canada, Chile, China and Colombia. I need not go through the whole list. I simply mention these names in order to show that the British Empire and Canada did sign the ratification of the constitution of the Court. Great Britain appears here under the name of British Empire, but in the resolutions passed at the late Conference, in which there is a decision, I think, bearing on this very question, Great Britain will henceforth appear and act under the title of Great Britain. I have not the text under my hand, but I think there is a pronouncement to that effect.

The vote of the British Empire being cast under that head creates confusion in the minds of the states that make up the Assembly. Of course, if they stop to reflect they will realize that when Great Britain signs for the British Empire it does so on behalf of all those parts of the Empire that are not actually represented in the Assembly as Dominions.

That is not what preoccupies the right honourable gentleman. The signing of the Protocol simply gave birth to the Court itself. The honourable gentleman's questions bear on Article 36, which reads as follows:

The jurisdiction of the Court comprises all cases which the parties refer to it and all matters specially provided for in Treaties and Conventions in force.

The Members of the League of Nations and the States mentioned in the Annex to the Covenant may, either when signing or ratifying the protocol to which the present Statute is adjoined, or at a later moment, declare that they recognise as compulsory ipso facto and without special agreement, in relation to any other Member or State accepting the same obligation, the jurisdiction of the Court in all or any of the classes of legal disputes concerning:

(a) The interpretation of a treaty;
(b) Any question of International Law;
(c) The existence of any fact which, if established, would constitute a breach of an international obligation;

(d) The nature or extent of the reparation to be made for the breach of an international obligation.

The declaration referred to above may be made unconditionally or on condition of reciprocity on the part of several or certain Members or States, or for a certain time.

In the event of a dispute as to whether the Court has jurisdiction, the matter shall be settled by the decision of the Court.

The right honourable gentleman said that only 25 states had voluntarily subscribed to that compulsory clause. Those 25 states are as follows:

Austria, Brazil, Bulgaria, China, Costa Rica, Denmark, Dominican Republic, Esthonia, Ethiopia, Finland, France, Guatemala, Haiti, Latvia, Liberia, Lithuania, Luxemburg, Netherlands, Norway, Panama, Portugal, Salvador, Sweden, Switzerland, Uruguay.

It will be noticed that neither Great Britain nor the British Dominions appear in this list. I cannot speak authoritatively as to why Great Britain did not accept the clause, which would bind it to submit all questions of a juridical nature to the International Court; all I can say is that the Ramsay MacDonald Government was willing to sign the clause with certain conditions or reservations. It was willing also to sign the Protocol. It was in September, 1924, that, for the first time in the history of the world, two great powers, Great Britain and France, were ready to sign a Protocol which would bring them down to the level of the weakest nations in the world in the arbitration of any difference they might have with any outsider. But in the latter part of October, Ramsay MacDonald went to the people. He was defeated, and in November 1924 resigned office.

When the Baldwin Government took office it refused either to ratify the Protocol or to bind itself to that compulsory clause. A declaration to that effect was made by Sir Austen Chamberlain on the 14th of March, 1925, at a Council meeting at Geneva. Not only did Sir Austen Chamberlain, speaking for the Baldwin Government, declare that he was absolutely opposed to the Protocol, but, to my surprise, he declared in no uncertain terms against the very principle of compulsory arbitration.

The right honourable gentleman from Ottawa explained why the Protocol was rejected, and said that the world was expecting that there would be an alternative proposition. That alternative proposition came in regional agreements, in which are to be found the very principles underlying the Protocol. The main reason, I believe, which actuated the Baldwin Government, is to be found in the fact that the Protocol, with its compulsory arbitration clause, would throw upon Great Britain, with her fleet, the obligation to act as the policeman of the nations in the maintenance of peace throughout the world, and that the ratepayers of Great Britain would have to bear the cost of the general surveillance or superintendence of the administration of the Protocol and of backing up and supporting the decisions of the Council at Geneva. Great Britain felt that this involved a tremendous risk and an enormous responsibility. I am not ready to dissent from the decision which was made, because the responsibility would not be upon my shoulders, but upon the shoulders of the taxpayer of Great Britain. There was another reason, I believe, which actuated the British Government in refusing to sign the Protocol. It is to be found, I think, in the fact that the United States would not be a party to the Protocol, and that under special circumstances there might arise a clash or conflict with the United States in the application of the economic sanctions of the Council at Geneva. I think these were the principal reasons which actuated Great Britain, and which would justify the rejection of the Protocol. I confess that I was less able to agree with the advisability of going to the extent of rejecting even the principle of compulsory arbitration; but that is a matter for Great Britain to decide for herself.

Now, what was Canada's attitude on this question? Canada's attitude was somewhat different from that of Great Britain. On the 9th of March, 1925, a dispatch signed by the Prime Minister, as Secretary of State for External Affairs, was addressed to Sir Eric Drummond, the Secretary General of the League of Nations, in which this paragraph appears:

That as Canada believes firmly in the submission of international disputes to joint inquiry or arbitration, and has shared in certain notable undertakings in this field, we would be prepared to consider acceptance of the compulsory jurisdiction of the Permanent Court in justiciable disputes with certain reservations, and to consider methods of supplementing the provisions of the Covenant for settlement of non-justiciable issues, including method for joint investigation, reserving ultimate decision in domestic issues and without undertaking further obligations to enforce decisions in case of other states.

As honourable gentlemen will see, Canada was not rejecting the principle of compulsory arbitration. On the contrary she was ready to adhere to it, and with certain reservations, expressed her willingness to join in submitting all justiciable questions to the International Court of Justice.

I may say at this point that the reservations mentioned in this dispatch from the Canadian Government were intended to be adjusted to the same plane as the reservations which Sir Cecil Hurst, had declared as those to which the British Government would adhere in the matter of submitting justiciable questions to the International Court of Justice. Sir Cecil Hurst, as the representative of the Foreign Office was speaking for the Ramsay MacDonald Government, which was then in power. I mention this in order to explain that the reservations which were contained in our dispatch were intended to harmonize with those formulated by the British Government.

Right Hon. Sir GEORGE E. FOSTER: My honourable friend will excuse an interruption for the sake of accuracy. He has spoken of reservations which were named in that dispatch. Perhaps it would be more accurate if he were to say reservations which were hinted at, but which were not named.

Hon. Mr. DANDURAND: I will read the phrase again:

> We would be permitted to consider acceptance of the compulsory jurisdiction of the Permanent Court in justiciable disputes with certain reservations.

They were not explicitly mentioned.

Right Hon. Sir GEORGE E. FOSTER: They were hinted at.

Hon. Mr. DANDURAND: They were hinted at, because the Canadian Government felt that those reservations would need to be examined jointly with the British Government, so that they should be in harmony with the decision arrived at in London.

It may interest honourable members of the Senate to know that one of those reservations mentioned explicitly by the representative of the Foreign Office, Sir Cecil Hurst, was the doctrine of the British Government as to rights of search and of blockade on the seas. That was to be fully reserved so that when, under the Protocol, Great Britain would take action to execute the will of the League of Nations it should not be hauled before the Court of International Justice for its exercise of the mandate that was given it. All members of the Senate know that as to the rights of sea powers there are two doctrines; one is called the Continental doctrine, and the other the British doctrine. Sir Cecil Hurst said: "If we are to become supporters of the League of Nations and to take action in order to give sanction to the decisions of that court, we do not want to be hampered in such action, and we would like to reserve our right of interpretation with regard to our action on the seas." I remember that the representative of France rose and said: "Well, I am not disposed to contest any of the reservations which are now mentioned by the representative of Great Britain. Great Britain was such a good tyrant during the late war that I have no objection to its continuing on the same line."

Hon. Mr. BELCOURT: Would my honourable friend allow me to ask him, what decision was reached on that point? As my honourable friend has just explained, Great Britain said: "Very well, we shall endeavour to compel the sanction of the decisions according to our own policy and practice." Was that agreed to by all the rest? What became of the question ultimately?

Hon. Mr. DANDURAND: There was a study of the extent of the reservations that might be made under clause 36, and it was decided that such reservations could be made with regard to entry into the International Court and acceptance of the obligation to submit such cases. Nothing has come of that preliminary work, because the Protocol has not come into effect; it did not receive the necessary number of signatures of the great powers. It was signed by a sufficient number of the secondary powers, but not of the first-class powers, or the great powers, as we call them. It could come into effect only if three great powers signed. France affixed its signature on the spot. I do not now remember the details, although I stated them when discussing the Protocol a year or two ago. The Baldwin Government in Great Britain refused to sign. Japan did not sign, nor did Italy. So the necessary signatures were not attached to the Protocol and the Covenant remains as it is.

I may say that Canada's situation is a peculiar one when it comes to deciding whether or not it will accept the compulsory submission of all differences to the International Court of Justice. I surmise that nine-tenths, if not all, of the questions of difference that might arise between this country and the outside world would be questions concerning the neighbouring Republic, and our southern neighbour has not yet adhered to the International Court of Justice. So there is no pressing need for Canada to join when it knows that it could not suggest to the United States even a reference to the International Court, so long as the United States had not joined the Court.

Hon. Mr. BELCOURT: We assume the responsibility without getting the benefit.

Hon. Mr. DANDURAND: Well, yes.

Hon. Mr. BELCOURT: That is what it would be.

Hon. Mr. DANDURAND: Yes, that is what it would be.

My right honourable friend (Right Hon. Sir George E. Foster) has said that there was an impression abroad that the Dominions influenced Great Britain in its decision not to agree to that compulsory clause. I will admit that such an impression did exist. It existed to such a degree that the permanent delegate of Canada at Geneva, Dr. Riddell, called our attention to that matter in 1925, and it brought to the rostrum the honourable the Speaker of the Senate, who was one of the official delegates.

How was the impression created among the nations that the Dominions had stayed the hand of Great Britain? The explanation is to be found in the fact that Sir Austen Chamberlain, on the 14th of March, 1925, in making his statement, which contained a clear refusal to adhere to the Protocol and accept compulsory reference to the International Court, added that the Dominions were of the same mind. He did not emphasize the fact that Great Britain had reached a decision before Canada. I mentioned that fact when I explained what had taken place with regard to making of the Protocol and its rejection. The Government of Canada was informed of Great Britain's action before it drafted the dispatch of the 9th of March. Sir. Austen Chamberlain was simply making a statement, which was true, of the fact that the Dominions were rejecting the Protocol, but he did not stress the fact that our despatch was not on the same lines as the pronouncement of the British Government.

I have read our dispatch, which declared that we were ready to join the International Court, but with reservations. In the previous year we happened to be ready, as was the British Government under Ramsay MacDonald. On the 9th of March the policy of the British Government had been altered by the elections; yet our situation was as defined by that resolution.

Hon. Mr. WILLOUGHBY: What attitude did the other self-governing Dominions take?

Hon. Mr. DANDURAND: For reasons which they stated in despatches or documents sent, they were unable to sign the Protocol. Each one viewed the matter from his own angle. I do not know whether they have appeared publicly in printed form, but we have here in our External Affairs Department all the answers of the various Governments, and I saw them at the time.

Hon. Mr. BELCOURT: As a matter of fact, it cannot be said that Canada or any of the Dominions refused to accept the Protocol. We did accept conditionally.

Hon. Mr. DANDURAND: Well, no. We did not sign the Protocol. That is the situation. That was the refusal. And in the dispatch we stated why we could not:

> The Government of Canada desires to state that after careful examination of the subject it has come to conclusions which may be summarized as follows.

It gives its answer, from which the conclusion may clearly be drawn that we are incapable, for the reasons given, of signing or adhering to the Protocol.

Hon. Mr. BELCOURT: What I mean to say is that it can just as well be interpreted as an acceptance of the Protocol, subject to certain reservations, which were not stated. To my mind it is an acceptance of the principle, subject to certain reservations. And so it is was, I understand, with the other Dominions.

Hon. Mr. DANDURAND: As my honourable friend has put the question, I will read from the dispatch:

> First—that Canada should continue to give whole-hearted support to the League of Nations and particularly to its work of conciliation, co-operation and publicity.
>
> Second—that we do not consider it in the interests of Canada, of the British Empire or of the League itself to recommend to Parliament adherence to the Protocol and particularly to its rigid provisions for application of economic and military sanctions in practically every future war. Among the grounds for this conclusion is the consideration of the effect of the non-participation of the United States upon attempts to enforce the sanctions and particularly so in the case of a contiguous country like Canada.

Hon. Mr. BELCOURT: That is one of the reservations.

Hon. Mr. DANDURAND: Of course, the doors still remain open. We have not bluntly rejected the Protocol.

I have admitted that the impression prevailed that the Dominions had influenced Great Britain. In answer to my right honourable friend (Right Hon. Sir George E. Foster), I stated that we found that impression existing at Geneva, and that our permanent delegate had drawn our attention to it. At the suggestion of Dr. Riddell, who is in constant contact with the representatives of the foreign States, the honourable the Speaker of the Senate mounted the rostrum to make clear the position of Canada, and

read to the Assembly the despatch of which I have just spoken, as containing the views of the Dominion of Canada.

In connection with this matter there was enacted a little scene which had its amusing side. The brilliant representative of Switzerland, Mr. Motta, asked the Assembly in 1925 to express the wish that the twenty-five States that had accepted compulsory submission of all differences to the International Court of Justice for a certain time should renew their obligation. Here was a resolution submitted to the thirty other States, those that had not signed that voluntary clause. They were asked to be good enough to give their support to an urgent request that the twenty-five States that had signed it should renew and continue their obligation. This is what the Assembly voted:

The Assembly, noting with satisfaction the fact that up to the present fifteen States have accepted the optional clause of the Statute of the Permanent Court of International Justice concerning the compulsory jurisdiction of the Court;

Honourable gentlemen will notice that at moment there were but fifteen such States: there are now twenty-five.

Noting also that some of those States have assumed this obligation for a period which will shortly terminate;

Requests the Secretary-General of the League of Nations to draw the attention of such States to the measures to be taken, if they consider it proper, in order to renew in due course their undertakings.

That resolution was preceded by a speech showing the advantage of all States joining in that obligation to submit all justiciable questions to the Court. The Assembly voted unanimously to urge the fifteen States that had signed for a certain time to renew their undertaking. Thus the virtue of that optional clause regarding the compulsory jurisdiction of the Court was recognized by certain States who abstained for the time being from assuming the obligation.

In closing these remarks I will read that part of the report of the Imperial Conference which deals with this very matter. At page 23 of the Summary of proceedings, copies of which have been distributed to all members of the Senate, will be found, in a chapter headed, "Particular Aspects of Foreign Relations Discussed by Committee", the following statement:

It was found convenient that certain aspects of foreign relations on matters outstanding at the time of the Conference should be referred to us, since they could be considered in greater detail, and more informally, than at meetings of the full Conference.

(a) Compulsory Arbitration in International Disputes

One question which we studied was that of arbitration in international disputes, with special reference to the question of acceptance of Article 36 of the Statute of the Permanent Court of International Justice, providing for the compulsory submission of certain classes of cases to the Court. On this matter we decided to submit no Resolution to the Conference, but, whilst the members of the Committee were unanimous in favouring the widest possible extension of the method of arbitration for the settlement of international disputes, the feeling was that it was at present premature to accept the obligations under the Article in question. A general understanding was reached that none of the Governments represented at the Imperial Conference would take any action in the direction of the acceptance of the compulsory jurisdiction of the Permanent Court, without bringing up the matter for further discussion.

My right honourable friend (Rt. Hon. Sir Geo. E. Foster) had not perhaps read that part of the report, which is a complete answer to his question. He may express surprise at Canada having tied its hands for the next three or four years, but in view of the action of the United States respecting that tribunal, there is no pressing need for Canada to sign the Protocol. The Conference meets every four years. We can well afford to wait until the next Conference and see what will happen in the meantime. But I am quite sure that if the United States decided to join that Court and accept that compulsory jurisdiction clause—it is somewhat doubtful that it will, but if it did—I have the very strong conviction the Canada, through its Parliament, would hasten to declare to our neighbour that we were ready and anxious to follow the United States to that tribunal and submit there any difference that might arise between us.

I hope that all differences between Canada and the United States will be settled amicably, but if ever there arose the least difficulty which would need to be ironed out before any tribunal, I am sure Canada would be unanimous in its decision to propose to the United States to submit the difference to an arbitral court, either he Hague Tribunal or any other that might be agreed on between us.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, under the rules I have no right of reply, and I do not intend to ask the courtesy of the Chamber even to allow me to make any extended remarks, but I take it that I shall be permitted to make two observations. One is that in the latter part of the remarks of my honourable friend he joined the discussion of my question with the discussion of the report of the Imperial Conference.

Hon. Mr. DANDURAND: Which bore on it.

Right Hon. Sir GEORGE E. FOSTER: As one bore upon the other. So in taking up the discussion upon the previous matter I shall be able to follow somewhat along that line.

The other remark that I wished to make was that while the reply of my honourable friend was informative, and while I am glad that it has been placed upon Hansard, the discussion as to the acceptance or non-acceptance of the Protocol was not necessarily a part of the question, and did not bear directly upon it. Honourable gentlemen will please keep that in mind when they are reading what has taken place.

I thank my honourable friend for his treatment of the question. I agree with almost everything he has said; but he has not produced the documents that I asked for.

Hon. Mr. WILLOUGHBY: I am not going to make any remark, but I would like to ask the honourable gentleman as to the attitude of the United States and the reservations that they put in. Did the Congress of the United States agree to accept the Court of Permanent Arbitration, subject to the reservations that they suggested?

Hon. Mr. DANDURAND: My right honourable friend was an active participant in the debate in Geneva in September, and I will leave him to answer the question.

Right Hon. Sir GEORGE E. FOSTER: It will be for the better information of my honourable friend, and to save the time of the House, if I refer him to the report of the Assembly of 1926, in which he will find the matter delegated to the League. If he is not satisfied with what he finds there, he will see an interpolated note which will direct him to the Department of External Affairs, where he will get everything that was said on both sides.

Hon. Mr. WILLOUGHBY: Our own Department of External Affairs?

Right Hon. Sir GEORGE E. FOSTER: Yes. I have no doubt my honourable friend will be interested in following that out. I may say, just as an answer to his question, that the reservations, five in number, made by the Senate of the United States, were all practically agreed to by the signatory powers at their conference in Geneva last September. With reference to the fifth one, three-quarters of it was agreed to, but there was a disagreement on that part of the reservation which put the United States in the position of prohibiting the court from giving an advisory opinion upon any question submitted to it by either the Council or the Assembly if the United States had, or claimed to have, any interest in the matter. I am very greatly in hope that when the United States get over their next presidential election they will take that matter up and agree to the principle that was laid down by the signatory powers, which was, that in every respect the United States, though not belonging to the League of Nations, should be placed on an absolute equality with every nation that belonged to the League, having just the same powers, but not having any powers, either discriminatory or prohibitory, that a member of the League of Nations did not possess.

Hon. Mr. WILLOUGHBY: Before that court?

Right Hon. Sir GEORGE E. FOSTER: Yes.

Hon. Mr. DANDURAND: Of course, the right honourable gentleman has realized that I was obliged to speak on the Protocol, because in 1924 the matter of joining the court came up at the same time as the question of the ratification of the Protocol.

Right Hon. Sir GEORGE E. FOSTER: Yes. I was not criticising my honourable friend on the point.

PAN-AMERICAN UNION, AND INSTITUTE OF PACIFIC RELATIONS

RETURN

Hon. Mr. DANDURAND laid on the table a return to an order of the Senate dated March 11, for:

Copies of all correspondence had with any member or officer of the Government of Canada, respecting the acceptance by Canada of membership in the Pan American Union, or affiliation with that organization, or representation at its meetings, and any similar correspondence with respect to affiliation with, or representation upon, the Pacific Council of the Institute of Pacific Relations.

Hon. W. B. ROSS: Where shall we find that after the Session?

Hon. Mr. DANDURAND: My honourable friend may run through it. He will find there is hardly anything worth retaining.

Right Hon. Sir GEORGE E. FOSTER: It will be rather slim.

Hon. Mr. DANDURAND: Yes. There was inquiry at the Departments of Trade and Commerce, External Affairs, Secretary of State and several others for information, and they gave whatever they had, but it is very little.

NORTHWEST TERRITORIES BILL

CONSIDERATION IN COMMITTEE POSTPONED

On the Order:

The House again in Committee of the Whole on Bill 123, intituled: "An Act to amend the Northwest Territories Act."—(Honourable Mr. Dandurand.)

Hon. Mr. DANDURAND: I would ask the House to go into Committee on this Bill, as I think we might finish it in a few minutes.

Hon. Mr. GRIESBACH: I was going to suggest to the honourable gentleman that he might consent to an amendment, to bring the Bill into effect a year after the date mentioned in the Bill. It is now 1928. Make it 1929. That would have two effects. It would allow information as to the tax to penetrate into that country, which would take a long time; it would afford opportunity to people in that Territory to make arrangements based on this tax; and it would also enable the government to make their plans for the collection of the tax, and would give time for the people of that country to make a protest against the Act when it comes into operation.

Hon. Mr. DANDURAND: The honourable gentleman desires that this Act should come into force on the 1st day of January, 1929, instead of 1928?

Hon. Mr. GRIESBACH: Yes. The outfits for northern trade are probably starting forth now. They are probably assembled now at Fort McMurray for that trade, and others are going from the south and from Vancouver into the Arctic. There will be no time for the information to spread over the country so that people can make their arrangements. These outfits that are going up now will not make their returns till the freeze-up in the fall.

Hon. Mr. DANDURAND: Would not my honourable friend think that the news would have plenty of time to spread between now and the 1st of January next through the wireless stations that dot that country?

Hon. Mr. GRIESBACH: They do not it; that is the trouble. There are only two of them in the north, one at Fitzgerald and the other at Aklavik. They exist in the imagination of the Government.

Hon. Mr. DANDURAND: The Government is better informed than I am, and I would ask that we call it 1 o'clock, and I will submit this proposal to the Minister of the Interior.

At 1 o'clock the Senate took recess.

The Senate resumed at 3 p.m.

PRIVATE BILLS

FIRST READING

Bill 144, an Act respecting the Midland Railway Company of Manitoba.—Hon. Mr. McMeans.

SECOND READING

Hon. Mr. McMEANS moved the second reading of the Bill.

Hon. Mr. DANDURAND: After the second reading of this Bill we will discuss whether to send such Bills to Committee or to give them third reading.

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

THIRD READING

Hon. Mr. McMEANS moved the third reading of the Bill.

He said: Honourable gentlemen, the purpose of this Bill, respecting the Midland Railway Company of Manitoba, is only to bring the railway under the jurisdiction of the Railway Commission by declaring the works of the company to be for the general advantage of Canada. The Midland Railway is a short line of only about six miles. The stock of the company is owned by the Great Northern and the Northern Pacific, and the company has running rights between Winnipeg and Emerson over the Canadian National, which is under the jurisdiction of the Railway Commission. There has been some doubt whether the Railway Commissioners of Canada could exercise jurisdiction over the Midland Railway, because it had a Provincial charter. The purpose of the Bill is merely to declare that the six miles of railway are for the general advantage of Canada.

Hon. Mr. BEIQUE: There should be no objection to that.

Hon. W. B. ROSS: I do not think there is any objection.

Hon. Mr. DANDURAND: We need not take our present procedure as a precedent and treat all Bills likewise.

Hon. Mr. ROSS: Oh, no: we will take each one by itself.

Hon. Mr. DANDURAND: Each one on its merits. We can arrange for the Railway Committee and the Committee on Banking and Commerce to meet either at the close of the sitting this afternoon, or during the evening,

when they would have an opportunity, if they desired, to examine any Bills referred to them. However, I have no objection to the present Bill.

Right Hon. Mr. GRAHAM: Honourable gentlemen, the only question that might reasonably be asked is, does the Province object to this railway being taken out of its jurisdiction and placed under the Federal authority?

Hon. Mr. McMEANS: There is apparently no objection. The Bill came before the House of Commons and was dealt with there. There was no objection at all, that I know of.

Right Hon. Mr. GRAHAM: All right. Carried.

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

FIRST READING

Bill 175, an Act to incorporate the Independent Order Fior D'Italia.—Hon. Mr. Stanfield.

SECOND READING

Hon. Mr. STANFIELD moved the second reading of the Bill.

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

THIRD READING

Hon. Mr. STANFIELD moved the third reading of the Bill.

He said: Honourable gentlemen, this Bill was carefully considered in the Miscellaneous Private Bills Committee of the Commons, at which Mr. Finlayson, Superintendent of Insurance, attended on behalf of the Government. Mr. Finlayson pronounced it absolutely unobjectionable, and it passed unamended. It is almost word for word a copy of the "Act to incorporate Knights of North America," passed by Parliament in 1925. The objects are entirely benevolent. The incorporators are Italians, who desire an organization similar to those of many other nationalities in Canada.

Hon. Mr. MACDONELL: May I ask the honourable gentleman has it, by any chance, any relation to the Ku Klux Klan?

Hon. Mr. STANFIELD: The Ku Klux Klan, I believe, are English-speaking people, and these are Italians. I do not think this has anything to do with the Klan.

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

FIRST READING

Bill 214, an Act to incorporate Guardian Trust Company.—Hon. Mr. Casgrain.

SECOND READING

Hon. Mr. BEIQUE: In the absence of the honourable gentleman from De Lanaudière, I will move the second reading.

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

THIRD READING

Hon. Mr. BEIQUE moved the third reading of the Bill.

He said: Honourable gentlemen, I see that the Bill is a very simple one. Its purpose is merely to create a corporation with a capital stock of $1,000,000. I cannot see any objection.

Hon. Mr. DANIEL: Are the clauses in that Bill all standard clauses?

Hon. Mr. BEIQUE: Yes. They come under the general Act. The Bill merely creates a corporation and declares the amount of its capital.

Hon. Mr. McLENNAN: Honourable gentlemen, I think this House which has established a very sound reputation for the care that it takes in the examination of all legislation, ought to go slowly in passing Bills—for example, in this case—without any definite assurance to us regarding their provisions. I am quite certain that what the honourable gentleman (Hon. Mr. Beique) has just said would be brought out by an examination of the Bill; but any Bill which comes before us in the closing days of the Session, and to which there might be objection, ought to be referred to Committee. As we have time, would it not be better to submit this Bill for examination to the Committee on Banking and Commerce, which the honourable leader (Hon. Mr. Dandurand) has said will meet again?

Hon. Mr. BEIQUE: The honourable gentleman will permit me to repeat this. The first clause contains the names of the parties who are incorporated. There cannot be any objection to that. The second clause declares:

The persons named in section one of this Act shall be the provisional directors of the company.

The third clause reads:

The capital stock of the company shall be one million dollars.

The fourth clause:

The head office of the company shall be in the city of Montreal in the province of Quebec.

The fifth clause:

The company shall have all the powers, privileges and immunities conferred by, and be subject to all the limitations, liabilities and provisions of The Trust Companies Act, 1914.

Those are all the provisions of the Bill. So there cannot be any objection to it.

Hon. Mr. McLENNAN: Certainly, if it came before the Committee, I would not object to any of those clauses. But I had not seen the Bill.

Hon. Mr. BEIQUE: Is it necessary to send a Bill of that kind to Committee?

Some Hon. SENATORS: Carried.

Hon. Mr. DANDURAND: As the honourable leader on the other side (Hon. W. B. Ross) has said, we will decide upon each case separately. When the first Bill came up I made a remark similar to that of my honourable friend (Hon. Mr. McLennan).

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

FIRST READING

Bill 253, an Act respecting certain patents owned by the Sealright Company, Inc.—Hon. Sir Edward Kemp.

SECOND READING

Hon. W. B. ROSS: I will move the second reading of the Bill, in the absence of the honourable gentleman (Hon. Sir Edward Kemp).

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

THIRD READING

Hon. Mr. ROSS moved the third reading of the Bill.

Hon. Mr. DANDURAND: The honourable gentleman might state why we are giving it the third reading without any further comment. Both he and I heard the Clerk's remark, but perhaps it was not heard by the Senate.

Hon. Mr. ROSS: It had better go on record. Honourable gentlemen, I am moving, with the leave of the House, for the third reading of this Bill, because it is one of those Bills that were examined in this House last year and passed all their readings. It simply missed getting the Royal Assent. So there is no necessity to go over what was well done last year.

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

FIRST READING

Bill 238, an Act respecting the Subsidiary High Court of the Ancient Order of Foresters in the Dominion of Canada.—Hon Mr. Smith.

SECOND READING

Hon. W. B. ROSS moved the second reading of the Bill.

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

REFERRED TO COMMITTEE

Hon. Mr. ROSS moved that the Bill be referred to the Standing Committee on Banking and Commerce.

He said. Honourable gentlemen, I think this s one of the Bills that had better go to Committee. It is an important measure. I do not really understand it, and I would like to have it given a hearing. The subject-matter, I think, is such as to justify me in moving that it be referred to the Committee on Banking and Commerce.

The motion was agreed to.

FIRST READING

Bill 116, an Act to incorporate "La Congrégation de Saint-Dominique du Tiers-Ordre enseignant".—Hon. Mr. Béique.

SECOND READING

Hon Mr. BEIQUE: I move the second reading, and will move that the Bill be referred to Committee.

The Hon. the SPEAKER: Is it the intention of the House to send these Bills to Committee this afternon, or to-night?

Hon. Mr. BEIQUE: Perhaps this afternoon, at the rising of the House. We shall see when the House adjourns.

The Hon. the SPEAKER: The reason is that Rule 119 says:

No Committee on any Private Bill originating in the Senate (of which notice is required to be given), is to consider the same until after one week's notice of the sitting of such Committee has been posted up in the lobby; nor, in the case of any such Bill originating in the House of Commons, until after twenty-four hours' like notice.

So we should suspend that rule in regard to this Bill.

Hon. Mr. DANDURAND: I will move that we suspend this rule and all the other rules pertaining to the moving of Bills from one stage to another, until the end of the Session.

The motion was agreed to.

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

FIRST READING

Bill 154, an Act to incorporate North American Relations Foundation.—Right Hon. Sir George E. Foster.

SECOND READING

Right Hon. Sir GEORGE E. FOSTER moved the second reading of the Bill.

He said: Honourable gentlemen, the object of this Bill is to confirm the present good relations between the English-speaking people on this continent, particularly the Canadians and the people of the United States, and to conserve and fructify those relations. It is a good object.

Hon. Mr. DANDURAND: Honourable gentlemen, I became a little disturbed when I heard the explanation of my honourable friend. That is looking southwards, but, as it is an association composed mostly of gentlemen from Toronto, I feel that we may not be in danger from the promotion of annexationist ideas.

Right Hon. Sir GEORGE E. FOSTER: No; it is perfectly loyal.

Hon. Mr. BELAND: The relations are bound to improve.

Right Hon. GEORGE P. GRAHAM: The Lord's own work.

Right Hon. Sir GEORGE E. FOSTER: Anyway, the Miscellaneous Private Bills Committee can pass on it.

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

FIRST READING

Bill 177, an Act to incorporate the Free Methodist Church in Canada.—Hon. Mr. Willoughby.

SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of the Bill.

He said: Honourable gentlemen, I think this Bill has no objectionable features. It went through the Committee in the other House. I am informed that objection was taken to one part of the Bill. It was not the substantive part, but the Bill included the Articles of Religion of that church, which contained statements apparently offensive to some gentlemen in the other House. That part has been stricken out entirely.

Hon. Mr. DANIEL: That was in the schedule?

Hon. Mr. WILLOUGHBY: In the schedule. That has been stricken out; the Bill was amended in that respect only.

Right Hon. Sir GEORGE E. FOSTER: Did they object to religion? Is that the idea?

Hon. Mr. WILLOUGHBY: I believe there were certain declarations of faith that were offensive to other people. The Bill is to incorporate the Free Methodist Church in Canada. Apparently there are two Conferences in Ontario, one in the eastern and the other in the western part of the province; one in Saskatchewan, and one in Alberta. At present, I believe, there is no incorporation of these bodies at all. They are incorporated in the United States and the Canadian churches have been functioning under the jurisdiction of the authority in the United States.

This Bill is to create them a corporation, and vest in the new corporation created by this Bill all the property now owned by the various churches, for the use and benefit of the individual churches.

I think that is perhaps all the explanation that is needed, and while I have no objection to the Bill going to a Committee, I would ask to have it read the third time, because I believe there is absolutely no objection to the Bill from any quarter now.

Hon. Mr. DANDURAND: This matter concerns only the Methodist Church?

Hon. Mr. WILLOUGHBY: Yes, the Free Methodist Church.

Hon. Mr. DANDURAND: I surmise that there may be a certain number of Senators belonging to that church. If they are agreed, the others can only say "Amen."

Hon. Mr. WILLOUGHBY: I have not the honour of being one, but I know there is no objection.

Right Hon. GEORGE P. GRAHAM: They will have a big membership if it is free.

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

THIRD READING

Hon. Mr. WILLOUGHBY moved the third reading of the Bill.

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

NORTHWEST TERRITORIES BILL

FURTHER CONSIDERED IN COMMITTEE

The Senate again went into Committee on Bill 123, an Act to amend the Northwest Territories Act.—Hon. Mr. Dandurand.

Hon. Mr. Copp in the Chair.

On section 1—export tax on furs:

Hon. Mr. BELCOURT: Honourable gentlemen, I have had one or two interviews with the officials in the Department who have charge of this Bill. They came to me to discuss the amendment which I suggested the other day, and after going over the matter we agreed upon the following amendment, which I wish now to move.

Hon. Mr. DANDURAND: You discussed the two amendments?

Hon. Mr. BELCOURT: Yes; we discussed both the amendment proposed by my honourable friend from Toronto (Hon. Sir Allen Aylesworth) and the one I proposed, and we agreed on the following as a substitute for subsection (r):

The levying of a tax upon furs to be shipped or carried from the Territories to any other part of Canada, or to any other country.

Hon. W. B. ROSS: What is the meaning of that?

Hon. Mr. DANDURAND: It is to strike out the objectionable expression "export duty" or "export tax." Honourable gentlemen will remember that there were two amendments suggested; one from the honourable gentleman from Toronto (Hon Sir Allen Aylesworth), and the other from the senior member for Ottawa (Hon. Mr. Belcourt). As my honourable friend from Ottawa has said, the Department has agreed upon the new form of amendment which he has just moved. It means that this is done with the consent of the Minister of the Department.

The amendment of Hon. Mr. Belcourt was agreed to.

On section 2—coming into force:

Hon. Mr. DANDURAND: I may say that I am disposed to accept the postponing of the date when the Bill will come into force until the 1st of January, 1929, but the loss of $75,000 or $100,000 will be upon the conscience of the honourable gentleman from Edmonton (Hon. Mr. Griesbach).

Right Hon. Sir GEORGE E. FOSTER: What is the reason for the postponement?

Hon. Mr. DANDURAND: My right honourable friend was not here when the honourable gentleman from Edmonton suggested that traders are leaving now for the north and they would not be able to disseminate the news of the new policy.

Hon. Mr. GRIESBACH: I pointed out that the outfits which were leaving now would not return until next year, and that people like the trappers and traders in that north country should be given ample notice as to when the Act begins to operate, so as to arrange their business in accordance with it. They are trading now for next year.

I move, in amendment, that the date for the coming into force of the Bill be changed from January 1928 to January 1929.

The amendment of Hon. Mr. Griesbach was agreed to.

The preamble and title was agreed to.

The Bill was reported as amended.

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

TRANSLATION OF SENATE DEBATES

CONSIDERATION OF REPORT OF COMMITTEE

Hon. Mr. POIRIER moved concurrence in the third report of the Standing Committee on Debates and Reporting.

He said: Honourable gentlemen, lest some of you fail to remember the contents of this report, or failed to take cognizance of it, I will read it:

The Standing Committee on Debates and Reporting beg leave to make their third Report, as follows:—

Your Committee find that the present arrangement for the translation and publication of the French version of the Senate Debates is not satisfactory, and beg to recommend to the consideration of the Senate that the previous arrangement of employing two debates translators be restored.

Hon. Mr. WILLOUGHBY: What was the old arrangement?

Hon. Mr. POIRIER: I am going to explain it. The purport of this recommendation is simply to revert to the old order of things. We had, pretty nearly since Confederation, two French translators of the Debates. I will admit they did not give full satisfaction. Two years ago, for most excellent reasons, I have no doubt, it was proposed, not by the Committee, but some other authority, to change what had existed since the beginning and to have one translator only, with the privilege of employing help in periods of rush.

Now, honourable gentlemen, what my honourable friend from St. John (Hon. Mr. Daniel) has said about the stenographers is true in this case. He contended, quite properly, I think, that we should have permanency in the staff; otherwise the work done is apt to be of an inferior character. As I say, the same principle applies, and with greater

force, to the translation of the debates. Last year, with only one translator, we had an excellent translation as far as it went, but the temporary help which had to be engaged at random, did not prove satisfactory. Their translation was inferior.

The French speaking members of this House have as much right to get their reports in good French as the English members have to get theirs in good English. As I say, there is no fault to be found with the Editor of French Debates, as I think he is officially called. He is a good translator, but the assistance he has had to employ has not proved equal to the task. It is efficiency that we are after. Since we apparently have to be subservient to the House of Commons in matters of internal economy, just as it appears that we have to follow the United States in the matter of the International Court of Justice, I may say that in the other House they have thirteen permanent translators of Hansard. I therefore do not think this request on behalf of the French-speaking members is extravagant.

Now, the main question is the cost. I believe that we are entitled to two translators, even though it should cost more. But that will not be the case, honourable gentlemen. A saving, and a pretty considerable saving, will be effected. I need not go beyond the Report of the Internal Economy Committee to show it. In the Report presented on Wednesday, the 6th of this month, which is to be found at page 340 of the Minutes of the Senate, I read:

Translating Debates, $3,825.

That is in addition to what is paid to Mr. Potvin. Translators in the other House are paid from $2,800 to $3,600 per annum. The remuneration of the new appointee will be a matter for His Honour the Speaker and the Clerk to decide upon. Assuming, however, that the translator is paid the maximum figure, there would still be a saving of over $200 a year.

This year Mr. Potvin, I believe, was sick for some time, and we had not one translator at our disposal. Any of us who wished to enjoy a privilege similar to that of the English-speaking members of the House had no means of doing so, even by paying for it, as we have to do to a certain extent, because the one translator we had was sick. That situation, which may occur again, should not be made permanent. We should have two translators who will put in twelve or fourteen hours a day, if necessary, in order to secure the efficient translation of the debates of this House. The two translators would have more leisure during the recess, and would be able to catch up with the work. This is what the Committee on Debates and Reporting wants. It is only reasonable, I think, and only fair to expect that there should be no serious objection to the adoption of this Report.

Hon. Mr. TURRIFF: Honourable gentlemen, I am not at all satisfied that this Report should be adopted. I admit that I do not understand the question very thoroughly, but I have tried to find out something about it. I went to the Clerk of the Senate and asked him about the matter, and he tells me that there has been no complaint whatever on the score of the translator having too much work to do. If that is the case, why should we appoint more translators? It is all very well for my honourable friend to say that it would cost less. I have been in this House long enough to know that when you appoint more officials the cost is more—is bound to be more. I would like to find out more about this matter, and in order to do so I would move that this debate be adjourned.

Hon. Mr. DANDURAND: With what end in view? Does the honourable gentleman propose the adjournment of the debate till next Session?

Hon. Mr. TURRIFF: Yes, that would be a very good solution.

Hon. Mr. DANDURAND: Or till tomorrow?

Hon. Mr. TURRIFF: I am agreeable to that.

Hon. Mr. DANIEL: Honourable gentlemen, I did not hear exactly the motion of my honourable friend from Assiniboia (Hon. Mr. Turriff), but as Chairman of the Internal Economy Committee I think perhaps I may be permitted to say a word or two. The Internal Economy Committee, as you all know, is one of the large Standing Committees of this House. It consists of 25 members, and is representative of all the different shades of thought in this Chamber. I must say that the Report brought in by my honourable friend from New Brunswick (Hon. Mr. Poirier) was a great surprise to me, because I thought that anything relating to the internal economy of this Chamber would first be introduced into the Committee on Internal Economy, which has been specially appointed to look after such matters.

It has also been a surprise to me to learn from the Report presented that there has been any dissatisfaction whatever with the manner in which the translation of the debates in this Chamber, and so on, is performed. You will remember that last year we appointed as a

member of the staff, at $4,000 a year, a gentleman who had been translating the debates of this Chamber under contracts. He was to do the work which previously had been done by two men, and, I understand, not very satisfactorily done, at a cost of $5,000 a year. By putting that gentleman on the staff we were really saving a sum of $1,000 a year. It seems rather unusual for another Committee to bring in a Report now upon entirely different lines, and apparently without communicating with the Clerk of the Senate to find out whether he had received any complaint. It goes without saying that if the work in any branch of the Senate is unsatisfactory the Clerk of the Senate should be aware of it. He is the deputy minister of the department, and all these various branches are under him, and complaints should first reach him, so that he would be able to make some investigation of the matter before it is presented to this Chamber.

Under these circumstances, as Chairman of the Internal Economy Committee, I think it would be inadvisable to adopt this Report. I think it would be much better to refer the Report, if you wish, to the Internal Economy Committee, so that they could confer with the Clerk of the Senate and then take such action as in their wisdom seemed best. I am very sorry indeed that I cannot vote for the recommendation which my honourable friend has brought in. The Committee which he represents consists of nine members, of whom six are French Canadians, and they would necessarily have more knowledge of translation than I. As I say, it would give me more pleasure to vote for the recommendation of the Committee, but I think this matter is forced on the Senate a little too suddenly, without giving the Clerk of the Senate, or the Internal Economy Committee, any opportunity of looking into it. For these reasons, I think it is better that the adoption of the Report should be postponed so that the matter may be considered during the recess and any change that is considered necessary made at the next Session of Parliament.

Hon. Mr. McCOIG: Honourable gentlemen, I heartily agree with what the honourable gentleman has just said. I think this is a matter that could be very well dealt with after a thorough investigation before the Internal Economy Committee, of which I happen to be a member. I do not think it should be dealt with too hastily. If there is any complaint we should have it looked into very throughly. I should be very glad to support the amendment moved by the honourable gentleman from Assiniboia that the consideration of this question be deferred until next Session, when we can have before us the officials of the Senate who will be able to give us the benefit of their advice.

Hon. Mr. DANDURAND: Honourable gentlemen, when this matter came up the other day, notice was given of a motion to refer the Report of the Debates Committee to the Committee on Internal Economy. At that time some question arose in my mind as to the propriety of one Committee reviewing the report of another Committee. I felt that if that were to be the decision of the House, it would mean that the Internal Economy Committee would be treated as the Finance Committee, with control over the financial part of reports coming from other Committees.

I am not ready to adhere to the idea that the Debates Committee should be deprived of its initiative and autonomy. I feel that perhaps it would be better for this Report to be returned to the Debates Committee, or to be suspended, in order that at the opening of next Session the Committee may make a thorough inquiry. I realize that the Committee had but one sitting on this matter, and I am informed by the Clerk of the House that the understanding with the translator was that when he was appointed he would receive the sum of $4,000, the amount of the preceding contract, and would be given help only after his work had gone beyond 800 pages; and I think that he was given help, under those conditions, under the contract. The Clerk of the House has told me that the matter of extra help did not arise last year, because the number of pages, I am informed, was but 700 or 800, and that extra help was not granted, nor asked, this year, because the number of pages will not go much beyond 400. I confess that I am somewhat surprised at the high figure mentioned, of 800 pages, for a single individual. To translate so many pages seems to be a remarkable feat. I do not know how many pages the translators in the Commons do. However, the matter could perhaps be investigated in the light of the work done in past years under the contract, as compared with the work done under the present arrangement.

I remember that when there was a question of bringing the present occupant of the position into the service, although not myself a member of the Debates Committee or the Committee on Internal Economy, I suggested to the Clerk of the Senate that some help should be given to the translator, in order that half of his salary might not have to be paid to outsiders for assistance in translation.

That is, I felt that the official appointed ought to receive a fair salary for his work.

I have not investigated this matter at all. I was not informed of the proposed action of the Debates Committee. Perhaps, for the reasons I have given, and in view of the state of mind of the Senate, it would be preferable to adopt the suggestion that the Debates Committee examine into these facts.

Hon. Mr. POIRIER: May I be allowed, as mover, to state that the idea of the Committee was that whoever might be recommended by his Honour the Speaker and the Clerk would be appointed only for next Session, not during the recess. Secondly, as the amount of money asked for was less than that which is expended now—as there was to be an actual reduction of expenses—the Committee thought that there was no occasion to refer the matter to his Honour the Speaker, to the Clerk, or to my honourable friend here (Hon. Mr. Daniel), Chairman of Finance. None of us had any idea that honourable members of this House, and especially those whom I have mentioned, would have any objection to a reduction of the amount expended by the Senate for the purposes of translation. I must say here that none of the members of the Committee had the remotest intention of hurting the susceptibilities of anyone. If we had thought for a moment that the objection would be raised that the Debates Committee did not bow to some other Committee—or if we had thought that we were at the tail end of something else—well, we might have gone and consulted these gentlemen. But we had no idea that one Committee of the Senate was subservient to another Committee. If it is the case, honourable gentlemen, that we are the servants of other Committees, I will, before the termination of the Session, present my resignation as Chairman of the Committee.

Hon. Mr. DANDURAND: I made my reservation on that point.

Hon. Mr. POIRIER: I remember. I understand you did.

Hon. Mr. BEIQUE: I have the English version of the Debates of last year, and it comprises 423 pages.

Hon. Mr. DANDURAND: That is for last year. I discussed with the Clerk of the Senate the two Sessions—the Session of last year and the present one.

Hon. Mr. DANIEL: I think the report of the Audit sub-committee, included in the report of the Internal Economy Committee, gives the number of pages, not for last year, but for the year before last. The report from which my honourable friend read referred to the year before last.

Hon. Mr. DANDURAND: With the leave of the House, I may give my honourable friends this information. At the League of Nations there are six Committees. One of them, the fifth committee, very often makes recommendations entailing an expenditure of money; and perhaps there are other committees that do so. When such a situation arises, the recommendation must go to the Finance Committee for approval.

Hon. Mr. POIRIER: But such is not the present case.

Hon. Mr. DANDURAND: When the question was mooted I felt that perhaps our situation was not similar to that prevailing at the League of Nations; but at the League we have found it a most valuable safeguard to obtain the opinion of the Finance Committee with regard to any charge upon the general budget.

The Hon. the SPEAKER: Honourable gentlemen, possibly I should make a few remarks upon this report of the Committee on Debates and Reporting. I may say that it came as a great surprise to me, as Speaker of the Senate, that this report was brought in. It seems to me that the Speaker and the Clerk are held responsible by the members for the work of the Senate. This report was the very first that I had heard, and I think I am safe in saying it was the first the Clerk had heard, that any exception had been taken to the manner in which the work was being done. The Speaker and the Clerk, I think, are anxious that the business of the Senate should be carried on efficiently and in a manner to suit the convenience of honourable members of the Senate. At the same time, they take into account the question of expense and are desirous of keeping the finances of the Senate in proper shape and preventing any money from being wasted. We found some time ago that the question of translating the unrevised Hansard was a very expensive matter and that the translation was hardly ever referred to or used. Therefore the French edition was not continued.

Now, the effect of this report would be that an effort would be made to resume the work of having the unrevised Hansard translated into French. It is not so much a question of the cost of translation as of the cost of printing—the amount we should have to pay to the Printing Bureau.

As has been pointed out by the honourable gentleman from St. John (Hon. Mr. Daniel),

the figures referred to by the Chairman of the Committee on Debates and Reporting (Hon. Mr. Poirier) were those for the year ending March 31, 1926. For the year ending March 31, 1927, we have the salary of the Translator, who was appointed at a salary of $4,200 per annum. If this report were to be carried, we should have also the salaries of one or two translators, as the case might be, and, in addition, a great expense would be incurred in the cost of printing, which we should have to pay to the Printing Bureau.

I desired to make that statement so that honourable members of the Senate might understand the position, and I would like to say that I think a matter of this kind should have been brought to the attention of the Clerk and myself before it was submitted in the form of the present report.

Hon. Mr. POIRIER: May I say a word as to the matter of correcting proofs? If we talked over the question it would be found that there is no reason why the French members should not do to the French version what the English members are doing to the English version. There would be no additional cost in the printing, because there would be only one copy sent to the press.

As for our failure to notify his Honour the Speaker and the Clerk, it is regrettable that we did not do so, but there was not the faintest idea of doing wrong when we moved in the very way that all Committees do. If Standing Committees exist in this House it is for the purpose of taking the initiative in matters appertaining to them. We thought there was no reason to consult the Finance Committee, since the money is voted, indeed over-voted. We thought we knew as much as others about the French language and what is proper translation. I must pay his Honour the Speaker the compliment of saying that he has learned the language remarkably well, especially as to pronunciation; and I do not doubt that the Clerk is a French scholar too. But we thought we were as efficient to judge of good French as those gentlemen are, or as my honourable friend from St. John (Hon. Mr. Daniel). He is a scholar—a Latin scholar, too—of the first magnitude, I am glad to tell you. In not notifying these gentlemen, our purpose was not to offend any of them; we simply thought we were within our rights, and I still think we are moving in the right way. The recommendation will come from his Honour the Speaker and the Clerk, acting as Minister and Deputy Minister. The appointment will date from the opening of next Session, and we shall have something to which we are entitled—

The Hon. the SPEAKER.

the services of a good French translator. I again say that Mr. Potvin is a splendid translator, but in a rush he has a right to get help. The help is not what it should be, and we have a right to see that it should be.

The amendment of Hon. Mr. Turriff was agreed to.

CIVIL SERVICE SUPERANNUATION BILL

REPORT OF COMMITTEE—AMENDMENT DECLARED OUT OF ORDER

The Senate proceeded to consider the amendments made by the Standing Committee on Banking and Commerce to Bill 231, an Act to amend the Civil Service Superannuation Act, 1924.

Hon. F. B. BLACK: Honourable gentlemen, when the Civil Service Superannuation Bill, 1924, came before this House, certain changes were made in it. It was thought that a certain group of civil service employees who would be able to derive benefit from the Act, but who were very much in arrears in their payments, or had not contributed at all, to the Superannuation Fund, should pay the arrears, and should pay also interest on the arrears at the rate of 4 per cent annually until they were fully paid up.

Now, as Chairman of the Committee on Banking and Commerce I have been asked, and I desire, to call your attention to the fact that by the acceptance of the amendment now proposed we accept the Bill as it came to us in 1924. That means, according to the information that was placed before the Committee by the Finance Department, that there will be refunded to those who have already made payments of arrears, something, but not very much, over half a million dollars. We tried to ascertain how much expense it might mean to the country in addition to this half million. The Finance Department said that they were unable to give us that information at the present time, and could not give it to us for some months at least; but as nearly as I could ascertain it myself, the additional expenditure will be some few millions of dollars.

That is the explanation, which, as Chairman of the Banking and Commerce Committee, I desired to make.

Hon. H. W. LAIRD: Honourable gentlemen, one of the clauses of this report of the Committee will impose upon the public Treasury a very large expenditure of money. When announcement was made of the amend-

ment approved by the Banking and Commerce Committee the Minister of Finance did not receive it very graciously. He stated that he would not accept this amendment until he had assurance of the probable expenditure which was made necessary by it

Under these circumstances, and in view of the fact that the proposed amendment would impose upon the country an expenditure of money which, according to the Superintendent of Insurance, the departmental official in charge of the Bill, would be a very large amount, a question has arisen in my mind as to the competence of this House to amend a Money Bill along the line of imposing a tax upon the country. The idea occurred to me to inquire on this point at the time the Bill was before the Committee, but it escaped my mind. Now that we are about to send this Bill to the other House, I think that we should have a ruling on the part of the Speaker as to whether or not this House is competent to amend a Money Bill in such a way as to increase the taxation.

Hon. Mr. BELCOURT: It was upon my motion that the Committee struck out of the Bill the provision for the payment of 4 per cent interest on the instalments in arrears. The matter is a complicated one. I do not know that it was explained to the Committee as clearly as it should have been. That may be the reason why my honourable friend from Sackville (Hon. Mr. Black) and my honourable friend from Regina (Hon. Mr. Laird) have the impressions which they have just stated to the House, and which I think are in both cases entirely erroneous. The departmental official affirmed, after going into the matter, that the striking out of the provision with respect to the 4 per cent interest is not going to entail any charge on the public treasury.

Hon. Mr. BLACK: I want to correct the honourable gentleman. I reported to this House the exact statement made to the Committee by Mr. Finlayson, that it will cost the people of this country at least half a million dollars for the refund of the sum already paid in. That is his statement, and I submit it is absolutely correct.

Hon. Mr. BELCOURT: There was a statement of that kind, which Mr. Finlayson afterwards corrected.

Hon. Mr. BLACK: No, no.

Hon. Mr. BELCOURT: If I may be allowed to go on I will make my statement. Mr. Finlayson, when pressed, admitted that the fund required to cover this superannuation had been determined on an actuarial basis, that no account was taken at the time of any interest that might be paid upon arrears and that the Superannuation Act could be carried out on the basis intended without there being added anything at all as a public charge.

Hon. Mr. BLACK: Will the honourable gentleman say that Mr. Finlayson said in the Committee of which I am Chairman that there would not be a charge of half a million dollars, and a few dollars over that?

Hon. Mr. BELCOURT: No, I do not say that.

Hon. Mr. BLACK: I do not want my word questioned. I am right.

Hon. Mr. BELCOURT: I admit that Mr Finlayson did say at one time that it would entail an expenditure of about $500,000.

Hon. Mr. DANDURAND: That is to say, the reimbursement.

Hon. Mr. BELCOURT: Exactly, if this interest were not insisted upon.

Hon. Mr. BLACK: That is all I want.

Hon. Mr. BELCOURT: Then we are agreed. Then he went on to say that when the Bill was presented to Parliament in 1924 it was not thought for one moment that any interest of that kind should be collected; for the Superannuation Fund had been calculated on an actuarial basis, not including at all any sum for interest to be paid by anybody. That is why I say that if we carry out the Act as it was adopted by the Commons in 1924 we are not imposing any charge whatever on the public.

It is well known, and is within the recollection of everybody, that it was the Senate that in 1924 inserted in the Bill the provision requiring the refunding of 4 per cent interest on the part of those who were in arrears. My honourable friend from Welland (Hon. Mr. Robertson), I think, is the one who proposed the clauses in Committee. I think I am correct in that statement. When the Bill came before us recently, some of us—in particular my honourable friend whom I have just mentioned—thought that that was wrong, and he and others were quite willing that we should not require the 4 per cent interest. So we amended the Bill accordingly. In other words, we did exactly what the Commons itself had done in 1924, and what Mr. Finlayson told us was the basis upon which this Bill was founded and was expected to operate. By striking out that clause we are not imposing any burden on the public—and, after all, that is the important point.

May I cite some of the discussion in the other House? I might quote things that were said in 1924, but that would take too long; I will content myself with just one or two references. The principle underlying the Superannuation Act of 1924 is that of equal contributions by the Government and the civil servants. At the meeting of the Banking and Commerce Committee on Friday Mr. Finlayson, when he was asked regarding the 4 per cent interest charge, admitted that it was not necessary for the purposes of the fund.

The House of Commons, according to Hansard of July 3, 1924, page 3977, put itself on record in this way:

The general principles on which modern superannuation schemes are based appear to be fairly definitely agreed upon. The basis most favoured is that under which both the employees and the employer contribute to the support of the scheme, the entire cost as a rule being borne approximately equally by both. The benefits derived or provided for include allowances on retirement after attainment of a stipulated age; allowances to widows and minor children in the event of the death of the employee during service or after retirement, the widow's allowance being usually one-half of the employee's allowance; and allowances to the employees on retirement from disability regardless of age.

Those are the basic principles upon which this Act was conceived and submitted to us.

There is also usually provision made for the return of the employee's contributions without interest in the event of his voluntary retirement after a minimum period of service had been rendered.

Your committee is of the opinion that the adoption of a superannuation scheme substantially on the lines of that above described would remove one of the greatest deterrents to efficiency and curtailment of staffs in many of the departments of the public service and it therefore commends that such a scheme be adopted by Parliament at the earliest possible date.

Then Mr. Malcolm, in the House, expressed himself in this way:

The Committee which dealt with this matter was somewhat unfortunate in not being able to have the assistance of all of its members, so many other committees were meeting at the same time and we never had a full meeting of the committee to discuss the question. After reviewing all the evidence submitted by civil servants, by the Deputy Ministers, and the Civil Service Commission, who assisted the committee in obtaining information in regard to the matter, the committee came to the conclusion that the payments to be made to civil servants under this Bill were as great and as fair as could possibly be made with the amount of money provided by the Government and by the civil servants themselves. In other words, it was the desire of the Committee that this Bill should be framed on a strictly actuarial basis.

It will thus be seen from these quotations that the 4 per cent interest was neither counted upon nor expected at the time the Bill was originally passed. In order, therefore, to build up the Fund and bring in the 7,000 on the outside, this amendment is made.

Honourable gentlemen will see, by referring to Hansard of April 1 last, how this matter was dealt with in the House of Commons, and I direct special attention to what was said on that occasion:

Mr. Malcolm: I was chairman of the committee that made the recommendation on which the act was based. The act was designed to meet the case of new entrants to the service, but provision was made to allow those contributing under the previous superannuation acts to come in upon paying the difference in the contributions. At the time referred to strong representations were made with respect to unusual cases such as those to which the hon. member for Kingston (M. Ross) and the hon. member for Muskoka (Mr. McGibbon) have called attention, but those to whom the framing of the act was entrusted felt that the measure would be jeopardized if an attempt was made to provide for all such cases. I recall representations on behalf of some such servant as the hon. member for Kingston has spoken of, but he was under the Militia department and that department had its own pension system. I think there is a good deal to be said on behalf of old caretakers, however, and if the Superintendent of Insurance could frame a suitable amendment I would be glad to see the minister adopt it because the committee were certainly sympathetic to such cases.

Later on, after some observations of the member for Moose Jaw, Mr. Malcolm continued:

Mr. Malcolm: In reply to my hon. friend may I say that the act as worked out by the committee was placed on an actuarial basis, one-half being contributed by the employee and one-half by the state. That made it very difficult to consider the case of a man who had never paid anything into the fund. Such a man could never be expected to pay five per cent of his total salary for the whole period in which he was in the government service because he would not likely be in a position to make such a heavy payment. At the time the act passed this House, with very strong support on both sides, it was felt that as it had been worked out on an actuarial basis there was no further need for contributions by civil servants other than those for which the measure provides. The upper chamber however felt that there was, and that those who were under the old scheme and coming into the new, were not contributing sufficient to the new scheme. The upper chamber therefore amended the bill by making necessary the payment of 4 per cent simple interest. They did not ask that it be compounded. I do not know what influence my hon. friend has in the upper chamber—

—he is addressing himself to the member for Moose Jaw—

He has some relatives there, and I would suggest that he get his relative to introduce a bill in the upper chamber and to endeavour to have the upper chamber accept the bill as it was passed by this House.

He was in charge of this Bill. The Minister of Trade and Commerce had charge of the Bill during the present Session.

May I now give the information which was furnished to me by a high official in the Finance Department who has made a special study of this question? This memorandum was handed to me so that I might read it to the House in order to give the information it contains:

According to Public Accounts 1925-26, there was a balance in the Fund, March 31st, 1926, of $10,833,272.15.

When the benefits were arranged in the provisions of the Act of 1924, it was considered that the cost would be fifty-fifty; the Service contributing half and the Government half.

To the end of March 1926, the Service with approximately 14,000 contributors, had paid in to the fund, $10,230,927.33. Interest at 4 per cent, amounting to $315,157.47 had been added. The Government had contributed $282,996.58.

As the number of contributors has increased during the past year to approximately 18,000, the fund has increased accordingly and at the 1st of January, 1927, amounted to $12,811,446.

It is pointed out that the interest alone on the balance to the credit of the Fund each year is an appreciable amount interest at four per cent on thirteen millions being more than half a million dollars, and this would more than equalize the refund requested, which was stated before the Banking and Commerce Committee by the Superintndent of Insurance, to be approximately half a million.

I draw special attention to those words I have just read.

It is estimated that whereas the present number of contributors is some 18,000, if the amendment carries it is expected that this number will be increased to 25,000. It is further estimated that the total salary of the 25,000 contributors will approximate $40,000,000. Five per cent of this amount would be $2,000,000 a year, i.e., the current contribution from the Service. This added to the interest brings the total annual increment from the Service, on the most conservative estimate, to two and a half million dollars.

If the Government contributes an amount equal to the five per cent contribution from the Service, quite irrespective of the four per cent interest on arrears, the annual income of the Fund must be estimated at approximately four and a half million dollars.

If ten per cent of the contributors which is a high estimate—each year enjoy the benefits of Superannuation either as retiring allowances, withdrawal allowances, or dependents' allowances, at an average of $1,000 a year—also a high estimate—this would total only two and a half millions, which would appear to assure the solvency of the fund, inasmuch as the minimum revenue of the fund is estimated at four and a half million.

Information cannot easily be obtained as to the actuarial basis of the scheme, but when the Act was framed the Superintendent of Insurance did not provide for four per cent interest on arrears of contributions, and assuming his computations to be approximately right, it follows that the removal of this interest will not involve further outlay by the Government on the fifty-fifty basis as originally contemplated.

Right Hon. Sir GEORGE E. FOSTER: Who is the writer of that?

Hon. Mr. BELCOURT: Well, I only have initials.

Right Hon. Sir GEORGE E. FOSTER: It comes from a Department?

Hon. Mr. BELCOURT: Yes. I have no authority to mention the name.

Hon. Mr. DANDURAND: It is not Mr. Finlayson?

Hon. Mr. BELCOURT: No, it is not Mr. Finlayson.

Right Hon. Sir GEORGE E. FOSTER: Not the Insurance Department?

Hon. Mr. BELCOURT: I do not know whether it is Insurance or Finance; it is from one of those Departments, but I cannot tell which.

I do not think I need labour this any further. I think one thing is quite clear from these figures, that the Government at no time intended that there should be any interest insisted upon from those who were in arrears. It has also been established that in many instances this question of interest has prevented men from coming under the Act. The figures given to me showed that between 7,000 and 8,000 people, on account of the large amount they would have to pay by way of interest, were prevented from taking advantage of the Act. The honourable gentlemen of the Committee will remember that I gave a very typical case of an employee in the Department of Indian Affairs, Mr. Emile Jean, who would have had to pay by way of interest a sum larger than the total of his arrears—some $1,155.74 of interest, while his arrears amounted to $1,101.78, I think. In this way the amendment has unquestionably prevented thousands of civil servants from having the benefit of the Superannuation Act. There is a double disadvantage to that; it is a disadvantage to the fund itself, inasmuch as the larger the number of contributors the more readily will the half to be provided by the civil servants be raised.

I think that in the interest of the civil servants themselves. and also the proper operation of the Act and its success. we should strike out the provision requiring the payment of 4 per cent interest, which was inserted in this House under misapprehension of the facts and the results to be attained. I think we ought to surrender ourselves to the evidence, and do what apparently is the proper thing under these circumstances, and in that way be completely in accord with the other House.

The clause which was adopted in the Committee was clause 11, but since then Mr. Finlayson and the Department of Justice have gone over these clauses and have suggested that for the sake of clarity, and perhaps precision, there should be three new paragraphs substituted for the three paragraphs of section 11. One advantage is that in the new draft the time at which operation begins, as between arrears and fixed amount, is related back to the time of election. Apart from that, I do not find that the new section differs materially from the old one. There was a time fixed within which this election should be made. That time has passed, and because of the changes we are now making in the Act it is thought desirable to extend it to the 31st of December next. The last subsection is merely for the purpose of giving an opportunity to those who did not come in within the period fixed.

Hon. Mr. BLACK: Honourable gentlemen, I simply wanted to make the remark that the honourable member from Ottawa (Hon. Mr. Belcourt), having admitted that my statement was absolutely correct, is apparently contradicting himself.

Hon. Mr. BELCOURT: No, no.

Hon Mr. BLACK: And he apparently has taken my remarks as to the pronouncement in the Committee as being in opposition to the amendment.

Hon. Mr. BELCOURT: No.

Hon. Mr. BLACK: He is entirely wrong in that. I am not opposing the amendment, I am merly making a plain statement of fact.

Hon. Mr. LAIRD: I would not like it to be inferred from what the honourable gentleman has just said that there is any opposition to this Bill on its merits. I do not desire to discuss the merits of the Bill at all. I make the statement here and now, that the official designated by the Department which is in charge of the Bill came before the Committee, and, in answer to questions put by himself, made the statement that this was going to impose upon the treasury an expenditure of at least half a million dollars—how much more he was not prepared to say at the time, and would not be in a position to say for probably eighteen months. Under these circumstances, I simply ask for a ruling as to the competence of this House to amend such a Bill.

Hon. Mr. BELCOURT: I do not think this comes within the section of the Act under which the Senate is precluded from initiating money Bills or increasing the charge on the public revenue. The Act refers merely to the public revenue. This, I submit—it may be a very fine distinction, and I may not be able to convince my honourable friend—

Hon. Mr. LAIRD: It is His Honour the Speaker's ruling on the question that I want.

Hon. Mr. BELCOURT: I am speaking on the question. I say this is not subject to the conditions prescribed by the Act, because this money is not going to come out of the public revenue. This is a scheme between the Government and the Civil Servants, by which contributions on a fifty-fifty basis are set aside for the purpose of creating a fund.

Hon. Mr. LAIRD: What did the Superintendent of Insurance mean when he said it was going to cost the country over half a million dollars?

Hon. Mr. BELCOURT: I am not disputing that. I am trying to point out now that this does not come out of the public revenue. It is independent and outside of that; it is to provide a superannuation fund to which the Crown contributes one-half, and the service the other half. I do not think that, strictly speaking, it comes under the provision upon which my honourable friend bases his objection.

Hon. Mr. TANNER: May I refer to the point raised by the honourable gentleman from Regina (Hon. Mr. Laird)? I merely want to express the opinion that the matter of the rights of this Chamber has been settled. I need not recall the investigation made by a special Committee, and the Report of that Committee, on the question of the power of this Chamber to amend or alter a money Bill. That Report was unanimously adopted by this House, and is of record. Honourable members will recall that the subject came up later, in connection with a Bill relating to the indemnity question, and that the House, as I understand it, reiterated the same principle, namely, that under the British North America Act the Senate has power to deal with money Bills, but not the power to introduce them.

Hon. W. B. ROSS: The amount cannot be increased.

Hon. Mr. TANNER: The honourable Leader of the Opposition says it cannot be increased. He may be right. I am merely stating my impression of the Report.

Hon. Mr. ROBERTSON: Inasmuch as the honourable gentleman from Ottawa (Hon. Mr. Belcourt) mentioned my name in connection

with the amendment made to the Superannuation Bill a couple of years ago, I wish to say a word. I am in favour of the amendment now proposed, and the adoption of the Report, for the reason that since we made that amendment a couple of years ago I have found out two things: first, that it was not the intention of the Finance Department to charge 4 per cent interest, and that had not been taken into calculation when the actuarial estimate was made; and, second, that in many cases civil servants who for years made payments under the Superannuation Act withdrew or dropped what they paid in, without getting any interest on their money for the time it was in the hands of the State. If that be so, and the Government intended not to charge this 4 per cent interest, it cannot be said that the adoption of this proposal is increasing taxation. Furthermore, I have talked with a number of civil servants, some of whom are heads of departments, or of important branches, and they have assured me that there are many old and faithful civil servants who are unable to take advantage of the Superannuation Act because they are required to pay the double penalty of this 4 per cent over a long term of years. I have been assured by some civil servants that there would be no objection on the part of the others to this concession. I feel that there is no question as to the power of this House to deal with the subject now before us, because it is not increasing taxation and is not increasing the cost over and above what the Government itself proposed when the Bill was introduced into this House two years ago. This is simply correcting what I now think was a mistake made in this House two years ago when we amended the Act.

Hon. Mr. BEIQUE: I desire to know, first, whether this Bill when introduced into the House of Commons was authorized by message of the Governor General, and second, whether the moneys that have been paid in by way of interest form part of the Consolidated Revenue, or whether they were kept separate.

Hon. Mr. BELCOURT: As to the first question, I do not know. I assume, however, that a Bill of this kind was not submitted to the Commons without the usual authority of a resolution passed by the Commons. As to the second question, I do not know how the books have been kept, or whether the interest has been kept separate from the principal or not. In any event, I do not think it would be very difficult to segregate the interest from the principal. I should think we could easily ascertain what was paid in as principal and what was paid in as interest. In fact, that will have to be done in order to give credit.

Hon. Mr. BEIQUE: If it forms part of the Consolidated Repenue, I do not think that this House would be competent to take the money out, except under a Bill authorized by the Governor in Council.

Hon. Mr. McLENNAN: My recollection of what happened at the meeting of the Committee the other afternoon is this. Mr. Finlayson told us that there had been paid in on account of the 4 per cent, something over half a million dollars, which would have to be returned to the people who paid it; and that to that extent the amount in the fund would be reduced, and would have to be made up from the public treasury.

Hon. Mr. BELCOURT: I have before me an extract from the Public Accounts of 1925-26, which reads as follows:

Statement of Superannuation Fund No. 5, for year ended 31st March, 1926.

I would take that as an evidence of earmarking. Evidently this money is in a special fund.

Hon. Mr. LAIRD: That is not what Mr. Finlayson said.

Hon. Mr. DANDURAND: Honourable gentlemen, I have in my hands a statement from the accountant of the Department, Mr. Macfarlane, which reads as follows:

There are 5,434 contributors who are paying with respect to past non-contributory service. In all these cases interest is included in the payments. In ascertaining the monthly instalments payable with respect to past non-contributory service the principal of the deficiency and interest thereon are lumped together. It is therefore impossible, without performing a mathematical calculation in each individual case, to arrive with accuracy at the amount paid in respect of interest to date. The amount probably will be somewhere in the neighbourhood of $550,000.

This is the amount which has been spoken of, and which is covered by the amendment before us, which directs the reimbursement of those who have come in and paid interest, in order to establish an equilibrium between them and others who are yet to come in, and who will not have to pay interest. Now, my honourable friend from Ottawa says that the amount will go to a special fund.

Hon. Mr. BELCOURT: I assume that.

Hon. Mr. DANDURAND: I may say that in the Committee Mr. Finlayson was simply asked one or two questions, which he

answered. He had put his views on this point in writing for the Minister of Finance. I will read what he says. It will enlighten the House:

I have been frequently asked to recommend its repeal,—

That is referring to the 4 per cent provision.

—but have declined to do so on the ground that until all transfers to the fund are effected and a valuation of the fund made I am not in a position to say that the cost to the Government will not be in excess of 50 per cent of the total cost. It is impossible to say what the effect of the repeal of the provision will be. I cannot tell, nor can any person tell, how much money will be lost to the Government, because no person can tell how many men will transfer because of its repeal who would not have otherwise transferred.

He states that whatever we take from the fund will have to be made up from the Treasury.

Hon. Mr. SCHAFFNER: Will the honourable gentleman tell me about how many have come in since the 4 per cent interest requirement was introduced?

Hon. Mr. BELCOURT: About 18,000.

Hon. Mr. SCHAFFNER: And about how many will come in if this amendment is made?

Hon. Mr. BELCOURT: It is expected that if it carries it will bring in 7,000 or 8,000 more.

Hon. Mr. McMEANS: Will those who came in first and paid their money be in the same position as those who come in now?

Hon. Mr. BELCOURT: Yes, I think that is the effect of the amendment.

Hon. Mr. McMEANS: Is it the intention that those who paid in their money should get a rebate of 4 per cent of what they paid in?

Hon. Mr. BELCOURT: No, no. The whole Civil Service have put themselves on record. There is no objection, on the part of the 18,000 who have come in, that this favour be granted to those who may come in.

Hon. Mr. BELAND: If they agree, they will submit no claim for a refund.

Hon. Mr. BELCOURT: They are quite willing that the fund should be reduced by the amount necessary to pay the 4 per cent.

The Hon. the SPEAKER: The honourable gentleman from Regina (Hon. Mr. Laird) has asked whether, this being a money Bill, the Senate can deal with it. As has been stated by an honourable gentleman, the Senate decided that question in May of 1918, when it adopted a Report dealing with the whole question of the rules of the Senate in regard to money Bills. Upon reading these amendments, as proposed, it does seem to me that if we adopt them we shall be creating a charge which will have to be borne by the Government, and which therefore will be a charge on the revenue. I read from page 418 of the 13th edition of May, where, in dealing with this question, he says:

On consideration of a Bill on report, no clause or amendment may be proposed which creates a charge upon the public revenue, or upon rates or local burthens upon the people, or which increases taxation, but the Bill may be recommitted in respect of any such proposed clause or amendment.

This is dealing with the action of the House of Commons when they have before them a Bill which has been amended in Committee, and the charge has not been sanctioned by the Government.

In respect of a charge upon rates or local burthens, a bill may be recommitted and considered in Committee forthwith: but in the case of a clause or amendment which creates a charge upon the public revenue, this course cannot be taken unless previously such charge has been recommended by the Crown, and sanctioned by a resolution of a Committee of the whole House, which has been agreed to by the House upon report.

It seems to me that that is to some extent the position that we are in. There is no doubt that the Senate has a right to amend a Money Bill, but it has no right to increase the charge upon the public. Whether it would be advisable in the interest of the Senate that it should send this Bill back with a recommendation that these changes be made by the House of Commons is a matter for the Senate to consider. I do not consider that the Senate should pass this report and commit the country to a change of this kind.

Hon. Mr. DANDURAND: The honourable the Speaker decides that the point of order is well taken?

The Hon. the SPEAKER: Unfortunately, the point of order was put to me on the ground that this was a Money Bill and therefore we could not deal with it. That point of order, I think, was not well taken, because the Senate has decided, long ago, that it can amend Money Bills. The difficulty is that in what we are doing we increase the charge on the country, and I have to rule on that point.

Hon. Mr. BEIQUE: That is the point raised. The question was whether that was in order or not.

Hon. Mr. LAIRD: Honourable gentlemen, that was the position that I took. I made the direct statement that the proposed amendment imposed a tax, an extra charge on the Treasury. I asked your ruling, Mr. Speaker, as to whether it was in order or not.

Hon. Mr. BELAND: That is correct. The honourable gentleman raised the point.

The Hon. the SPEAKER: On that particular point I would have to rule that it is not in order.

Hon. Mr. DANDURAND: That the amendment is not in order?

The Hon. the SPEAKER: In so far as it creates a charge.

Hon. Mr. BELCOURT: I do not rise to discuss the decision of the honourable the Speaker, only I think I might point out, with the leave of the Senate and with his Honour's leave, that Mr. Finlayson, in the statement which has just been read by the honourable leader of the Government, does not say that the amendment will increase the public burden: he says it may.

Hon. Mr. LAIRD: I took it to mean that he did say so.

Hon. Mr. BELCOURT: No; he says it may. He cannot tell to what extent. He does not say it does.

Hon. Mr. McLENNAN: Does he not quote there that it will be about $550,000?

Hon. W. B. ROSS: I was going to say, honourable gentlemen, that I am sorry that this Bill should miscarry, because from the information that I have had I think that it would work out well; that is to say, it would let in a class of persons, to the number of seven or eight thousand, who cannot afford to come in now, but would as a matter of fact, whether you liked it or not, in five, ten, or fifteen years from now, be the subject of new legislation, which would mean that in the long run you would escape none of the burden. Now this question has been raised. I had thought of it, but did not raise it—I said nothing about it—because I assumed, for some reason or another, that the Government were aware of the fact that the Senate intended to make the proposed amendment. But I agree with the ruling of His Honour the Speaker. It all falls under section 53 of the British North America Act:

> Bills for appropriating any part of the public revenue, or for imposing any tax or impost, shall originate in the House of Commons.

The reason I read this is to suggest that if the House of Commons would send us a message to say that they consent that we should deal with it, that would remove the whole difficulty.

Hon. Mr. BEIQUE: Section 54 says:

> It shall not be lawful for the House of Commons to adopt or pass any vote, resolution, address or Bill for the appropriation of any part of the public revenue or of any tax or impost, to any purpose that has not been first recommended to that House by message of the Governor General in the Session in which such vote, resolution, address or Bill is proposed.

Hon. Mr. ROSS: They would get the consent of the Crown.

Hon. Mr. BEIQUE: Of course, the powers of the Senate would not extend beyond those of the House of Commons.

Hon. Mr. ROSS: This thing has been done in other colonies. The Commons got the consent of the Crown, and then they sent a message to the Senate or the Upper House, saying that they might proceed to deal with the matter.

Hon. Mr. BEIQUE: For my part I think it is important that we should be careful always to remain within the unanimous decision of the Senate on these questions.

Hon. Mr. ROSS: I think that is a wise observation.

Hon. Mr. BEIQUE: Otherwise we shall not know where we stand. I think the ruling of the Chair is quite in accord with the decision of the House.

Hon. Mr. BELCOURT: Will by honourable friend (Hon. W. B. Ross) move that a message be sent to the other House, requesting the other House to obtain the additional power, if necessary? There is a clear invitation to do so, in the speech of Mr. Malcolm, who suggested that those who have influence in this House might exert that influence here in order to get it done. One is naturally inclined to believe that if a request were made to the other House to get power to deal with this, it could be put through probably this Session.

Hon. Mr. ROSS: I think the honourable gentleman who is in charge of the Bill would be the man to do that. All I can say is that, so far as I know the facts, if a message of that kind came to us, I would be prepared to vote for this Bill, because I am in sympathy with it.

Right Hon. Sir GEORGE E. FOSTER: It seems to me, honourable gentlemen, that the matter rests with the honourable gentle-

man who represents the Government in this House (Hon. Mr. Dandurand). We have arrived at a certain impasse. That is to be solved. I do not think it is our part to send a petition to the other House, asking for a message; but the Government, through its representative here, may be advised of the position. The matter stands until he has an opportunity of communicating with the other members of the Government and coming to some arrangement which will remove the impasse. I sincerely hope that that will be done. I would like to see this Bill go through.

Hon. Mr. DANDURAND: I have not grasped the point made by my honourable friend opposite (Hon. W. B. Ross) as to the procedure, novel in its form, which might be initiated in the House of Commons and might reach us, because it would be so simple that if the House of Commons, or the Minister of Finance desired to propose such a message, he could move to that effect in the other House. But I am ready to examine into that question of procedure. I understand that the amendment made in the Committee has been declared out of order. Then the Bill stands for third reading. We can abstain from taking the third reading now, and put the Bill down for third reading at the next sitting of the House, and in the meantime I will see what can be done.

Hon. Mr. BELCOURT: Might I make a suggestion to my honourable friend? It is quite evident that at one time, in 1924, the resolution authorized the carrying out of the Act without the additional charge covering the interest. In other words, in 1924 the resolution upon which the Act was based must have given to the Commons the power to supply the whole amount required, irrespective of this amount of half a million which is the product of interest. So that in 1924 the resolution must have authorized the House to make a Bill without provision for interest. I do not know whether the resolution this year is in the same terms. If it is, there is no reason why our suggestion should not be accepted by the Commons.

Hon. Mr. DANDURAND: The difficulty with the Minister of Finance arises from the opinion that he received as to the working of this Act at present and in future. I may as well put on record the statement which the Minister of Finance has to meet. It is signed by Mr. Finlayson, Superintendent of Insurance, who drafted the first Bill and followed its working:

The Superannuation Bill, as it passed the Commons in 1924, did not provide for interest on arrears of contributions paid by persons transferring from the old funds to the new. The provision for 4 per cent simple interest was inserted by the Senate.

It was omitted from the original Bill, not because it was considered inequitable that interest should be charged, but because it was desired to give every possible encouragement to the men to transfer and because some consideration had to be given to the fact that the men had not been asked, or indeed permitted, to contribute more than the 3½ per cent or 2 per cent called for by the old Act.

The provisions of the Bill were in this respect extremely generous. Strict equity would have demanded 4 per cent compound interest. The Senate provided for 4 per cent simple interest.

The Act was passed with this provision for interest and the interest has been collected.

I cited this part a moment ago.

I have been frequently asked to recommend its repeal, but have declined to do so on the ground that until all transfers to the fund are effected and a valuation of the fund made I am not in a position to say that the cost to the Government will not be in excess of 50 per cent of the total cost. It is impossible to say what the effect of the repeal of the provision will be. I cannot tell, nor can any person tell, how much money will be lost to the Government, because no person can tell how many men will transfer because of its repeal who would not have otherwise transferred.

It will also inevitably involve a revision or an adjustment of contributions already made including this interest. The repeal of the provision as respects persons transferring in future cannot be made without also conceding to those who have already transferred with the interest provision, the right to a refund or the readjustment of future payments. What the amount of this refund will be can probably be estimated by the Department of Finance.

For the foregoing reasons I have advised the various delegations that have waited upon me that I cannot recommend the repeal of the provision and that the responsibility therefor should be taken by the Senate.

To that was annexed a statement of Mr. Macfarlane, the Accountant, which I read, and which said that the amount paid in respect of interest to date, and which would have to be reimbursed, would probably be in the neighbourhood of $550,000.

I mention these things in order that the Senate may understand what has been the situation in the Finance Department. Besides, since we passed that law there have been extensions of the Act, and certain variations in the number of persons who were expected to come under it, and also in their status; some have since married, and so on. So the Superintendent of Insurance, who is watching the actuarial work, stated in the Committee that if we passed that amendment he would be

able to say only 18 months hence what would be the situation as to the loss upon the transaction.

I move that this Bill be put down for third reading at the next sitting of the House.

The motion was agreed to.

The Senate adjourned until to-morrow at 11 a.m.

THE SENATE

Thursday, April 14, 1927.

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

PRIVATE BILLS

THIRD READINGS

Bill 154, an Act to incorporate North American Relations Foundation.—Rt. Hon. Sir Geo. E. Foster.

Bill 116, an Act to incorporate "La congrégation de Saint-Dominique du Tiers-Ordre enseignant."—Hon. Mr. Bureau.

Bill 238, an Act respecting the Subsidiary High Court of the Ancient Order of Foresters in the Dominion of Canada.—Hon. Mr. Smith.

CIVIL SERVICE SUPERANNUATION BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 231, an Act to amend the Civil Service Superannuation Act, 1924.

He said: Honourable gentlemen, I bring to the Senate information which we had in 1924, when the Superannuation Act was passed, but which, I think, has since escaped our memory. We sometimes hear representations that gradually grow in our minds until we believe that an injustice has been or is being done to a certain class of people. When such claims reach us we are responsive to them and are actuated by a desire to right the injustice. In order that honourable gentlemen of the Senate may understand the provisions of the Superannuation Act, I desire, before moving the third reading of the Bill, to read a statement which I think will clarify the situation and show that not only has no injustice been done, but we have even gone a certain distance towards paternalism. We did that with our eyes open, and I do not regret it. I think that when honourable gentlemen have heard this statement they will realize that there is no cause for grievance in what Parliament has done in connection with the Superannuation Act.

This memorandum has been addressed by Mr. Finlayson to the Minister of Finance since the discussion of yesterday afternoon:

The amendment made to this Bill by the Banking and Commerce Committee of the Senate with reference to the four per cent interest included in contributions for past service has been declared by the Honourable the Speaker of that Chamber to be out of order, and the question has been raised as to what the effect will be if the Bill passes without that amendment.

The Civil Service Superannuation Act, 1924, was designed primarily for persons appointed to permanent positions in the Service after that date. Such persons are required to contribute 5 per cent of their salaries and their maximum allowance is reached after 35 years' service, 2 per cent per year, or 70 per cent in all, of the average final salary being allowed. Widows' allowances equal to one-half the contributors' allowances are also provided for.

At the same time, provision was made for persons already in the Service transferring to the new fund. These persons were those,

(a) Subject to the Retirement Act, under which the rate of contribution was 5 per cent; or

(b) Contributing, or having contributed to Superannuation Funds Nos. 1 or 2, the rate of contribution being 2 per cent or 3½ per cent; or

(c) Contributing to no fund. This class includes the so-called "permanent temporaries."

Honourable gentlemen who are familiar with the traditions of the various departments know that some departments, for instance, the Department of Public Works, are practically manned by "permanent temporaries."

The Act provides that persons in class (a) may transfer with right to full scale allowances.

Persons in this class have paid the 5 per cent.

Persons in class (b) may transfer with right to full scale allowances for themselves, but the widows' allowance is on half scale, unless the difference between the 2 per cent or 3½ per cent and the 5 per cent in respect of past service is made good with interest at 4 per cent simple interest.

Persons in class (c)—

That is to say, persons who have contributed to no fund whatsoever—

—may transfer, but all allowances are on half scale unless the 5 per cent in respect of past service is made good with 4 per cent simple interest.

It will be seen from the foregoing that persons in all the above classes are permitted to transfer to the new scheme whether contributions are made for past service or not. Future service will in such case count in full, but past service will count as above indicated unless contributions therefor are made at the rate of 5 per cent.

For example, a person in class (c) who transfers without contributing anything for past service, will rank on retirement for an allowance of 1 per cent for each year of service.

That 1 per cent is furnished in toto by the Government.

If the period of service is 35 years and he retires immediately after transfer, he receives an allowance of 35 per cent of his average salary for the last five years' service, and his widow will rank for one-half his allowance.

He gets that benefit without paying anything.

If he contributes for past service with interest those allowances are doubled. This rate of allowance (1 per cent for each year's service) is the same for the employee as that provided under the pension scheme of the Canadian Pacific Railway (non-contributory), but the latter provides no widows' allowances.

While the C.P.R. provides no widows' allowances, we furnish a one-quarter allowance.

Similarly, a person in class (b) who transfers without contributing anything additional in respect of past service has his own allowance of 2 per cent for each year's service unaffected. His widow's allowance is, however, one-quarter of his own instead of one-half.

In the present situation, there are two obvious alternatives for the House of Commons to adopt: one, to initiate legislation to make the proposed amendment; the other, to decline to do so.

If the first is adopted the cost to the Government of the scheme will undoubtedly be increased immediately. Whether there may be compensation in the form of relief from special retirement measures some time in the future for those who are deterred from adopting the present scheme now it is difficult to say. The cost to the Government now may be more than 5 per cent of the salaries. This can only be ascertained after the transfers are completed and a valuation made. The longer the time for transferring is extended the further such valuation must be postponed.

The principal advantage in transferring from the old funds to the new fund is the widows' benefit provided for by the new scheme.

It was to be expected that the option to transfer would be chosen more readily by married men than by single men or widowers. It was also to be expected that married men in impaired health would be more anxious to transfer and pay up arrears of contributions than men in good health and likely to outlive their wives.

From this it will be readily seen how an extension of the time for election works to the disadvantage of the Government. During the extension of two years for elections under the Act men who, at the end of the first year, were single, have married, widowers have re-married and men in good health have become impaired in health, and while these men during the first year following the passing of the Act had probably decided not to transfer, they have decided now to transfer to the new fund and the chance of the new fund getting an average selection of risks from the old funds has thereby become less. All of these adverse selections have worked to the disadvantage of the fund and the same will be true the longer the period for election is extended.

If the second alternative is adopted it should be made clear that no person is thereby necessarily prevented from transferring who would otherwise transfer. The argument is, however, that in many cases the burden of past contributions is so heavy on account of the addition of interest, that the employees cannot possibly make them good, and rather than transfer with the prospect of only half-scale allowances they will prefer to remain where they are. There are, no doubt, many cases of hardship of this class. It will probably be admitted, however, that even in these classes it will be greatly to the advantage of these employees to transfer to the new fund and rank for allowances on half-scale.

Respectfully submitted,

G. D. Finlayson.

Honourable gentlemen will see that all those who have contributed less than the 5 per cent, including those who have contributed nothing at all, can join this fund and enjoy a benefit and it cannot be said that the Act works a hardship upon them in any way whatsoever.

With these explanations, I beg to move the third reading of the Bill.

Hon. Mr. BELCOURT: Honourable gentlemen, I moved an amendment which I want to have dealt with.

Hon. Mr. DANDURAND: But my honourable friend's amendment was covered by the decision of His Honour the Speaker. His amendment was to substitute another draft for the amendment of the Committee. It involved the same principle. So I move the third reading of the Bill.

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

The Hon. the SPEAKER: Is it your pleasure, honourable gentlemen, to pass this Bill?

Hon. Mr. BELCOURT: The third paragraph of the amendment which I moved had the effect of extending the period within which the election could be made to the 31st of December, 1927. What does my honourable friend propose to do with that?

Hon. Mr. DANDURAND: In view of the memorandum which has been presented to the Minister of Finance, and which I have just read, it has been found inadvisable to prolong that time beyond the month of July next.

Hon. Mr. BELCOURT: The decision of His Honour the Speaker was with respect to paragraphs 1 and 2 of the amendment, and had no application to paragraph 3; so it is still before the House.

Hon. Mr. DANDURAND: Unfortunately my honourable friend, unless he has the leave of the House, is too late, because the third reading has been adopted. The only precedent on which my honourable friend can rely is that of challenging the question which is

put. I remember the feat accomplished by a very eloquent representative of Nova Scotia, Hon. Mr. Miller who was at one time Speaker of the Senate. I cannot say whether the incident took place before he occupied the Speaker's Chair or afterwards. He had expressed dissent from a Bill, but it passed the three readings. I do not remember exactly the career of the Bill—whether it had been disputed in Committee or in the House, but he made up his mind only at the very moment when, after the third reading had passed the final supplementary question was put, "Shall that Bill pass?" He rose from his seat and made such an onslaught on the Bill that a vote was taken, and the decision was that the Bill should not pass. That is the only precedent that I remember. That precedent was afterwards cited in the House; and it would bear on the present stage of procedure.

My honourable friend can divide the House on the question put by the honourable the Speaker.

Hon. Mr. BELCOURT: I can do better than that. I am strictly within the rule mentioned by Bourinot at page 532:

> Motion, that the Bill do pass.—The next question put by the Speaker is: "That this Bill do pass, and that the title be", etc.
>
> This motion generally passes nem. con. immediately after the third reading, though it is quite regular to defer the final passage until a future day, or to move that the further consideration of the Bill be postponed; or to propose other amendments against the principle of the measure with the view of preventing its passage.

The rule seems to be quite clear.

Hon. Mr. DANDURAND: That supports the procedure of Senator Miller. He stopped the Bill as it was about to leave the hand of the Speaker, and defeated it on a vote. My honourable friend says, "I can move that it do not pass, but be further amended, or be referred back to Committee."

Hon. Mr. BELCOURT: Yes. The rule is clear, it seems to me.

Hon. Mr. DANDURAND: That is not a ruling; that is a statement from Bourinot. It is a question of practice.

Some Hon. SENATORS: Carried.

The Hon. the SPEAKER: Does the honourable member insist on his amendment?

Hon. Mr. BELCOURT: Yes. My amendment is to insert the following words as subsection 2 of section 1:

> (2) Any contributor who, at the time of his election to become a contributor under the provisions of sections sixteen, seventeen, twenty and twenty-two of this Act, did not elect to pay contributions in respect of past periods of service, may, at his option, on or before the thirty-first day of December one thousand nine hundred and twenty-seven, amend the terms of his election by electing to pay contributions in respect of such service.

I beg to move that as an amendment.

The Hon. the SPEAKER: Honourable gentlemen, the question before the House is that this Bill do now pass; to which Hon. Senator Belcourt moves in amendement that the Bill do not now pass, but that it be further amended by inserting in section 1, as subsection 2, the amendment which he has read. The question is on the amendment.

Hon. Mr. DANDURAND: Honourable gentlemen, I am not disposed to accept the principle that an amendment may be introduced at this stage, though that may have been a procedure accepted and practised in a distant past. I have now been 29 years in the Senate and I take it for granted that our tradition, at all events, is that all such propositions or amendments must be made on the motion for the third reading, the last stage, notwithstanding that precedent of the final question—"Shall this Bill pass?"—having been once answered by a negative vote. I make that reservation so that we may not—at all events, speaking for myself, I would not—be bound by the motion that is now made by my honourable friend.

On the merits I intend to vote against that amendment, considering the argument made in the memorandum which I have read as to the necessity of closing as early as we can the period of election. We have already granted delays, and it seems to me that the interval from the present time to July next will be sufficient to allow the parties to think the matter over. They are not losing anything by joining in, but are gaining something.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, I would like to understand just the position. If I heard aright what was read by my honourable friend (Hon. Mr. Belcourt) and colleague as to the practice in the Senate, an amendment can be moved at this stage only if its purpose is to defeat the principle of the Bill. I do not think my ears deceived me in that. Is my honourable friend willing to take the position that he is now moving an amendment for the purpose of defeating the principle of the Bill? If so, I can hardly join with him in voting for his amendment.

Hon. Mr. BELCOURT: Though I have not had occasion to see it applied in practice, I think the wording of the passage I have quoted from this authority does not justify the con-

clusion that a motion such as I am now making can be proposed only with a view to dissenting from the principle of the Bill. It goes further.

Hon. Mr. DANDURAND: Read it again.

Hon. Mr. BELCOURT: This is the essential part:

Or to propose other amendments against the principle of the measure with the view of preventing its passage.

I think that that covers it all.

Hon. Mr. DANDURAND: Then I raise the point of order.

Hon. W. B. ROSS: Honourable gentlemen, I would rather see this Bill dealt with on its merits than on a question of Parliamentary procedure. The administration of this Act is too intricate and delicate for the ordinary man to understand, and I am satisfied that the officials of the Departments who are administering the Act know better than I do, and probably better than any ordinary members of this House—by which I mean the men who are not particularly interested in the passage of this Bill; and I am satisfied that if the Government leader says that they wish to close the entries to this fund in July, if possible, I am willing to support them in that, and let the question of procedure go.

Some Hon. SENATORS: Question.

The Hon. the SPEAKER: I understood tre honourable gentleman raised a point of order.

Hon. Mr. DANDURAND: I did; my point is that, according to the authority which my honourable friend relies upon an amendment can be moved only against the prniciple of the Bill, with the object of defeating it.

Hon. Mr. BELCOURT: In order to prevent its passage.

Hon. Mr. DANDURAND: With the object of preventing its passage. His amendment does not fall within that statement; he simply wants to add an amendment to extend the time during which the members of the Civil Service may come under the Superannuation Act. He is moving not against the principle of the Bill, but merely to add a clause which he could have added in Committee or at the third reading. He is limited to an assault upon the principle of the Bill.

Hon. Mr. BELCOURT: I should like to know, honourable gentlemen, whether the third reading has been declared carried. I did not hear it.

Hon. Mr. DANDURAND: Oh, yes.

Right Hon. Sir GEORGE E. FOSTER: It is passed already.

Hon. Mr. DANDURAND: Does the honourable gentleman withdraw his amendment?

Hon. Mr. BELCOURT: No, I do not withdraw.

The Hon. the SPEAKER: Honourable gentlemen, as to the point of order raised by the honourable leader of the Government, I have not had time to look into this matter thoroughly, but I certainly consider that the point of order is well taken, and that the question is whether the Bill shall pass. If an amendment were made in that case it would have the effect of killing the Bill. The question, then, is on the motion of Hon. Mr. Dandurand, seconded by Hon. Mr. Watson, that this Bill be now passed.

Hon. Mr. DANDURAND: No; it is passed.

Hon. Mr. COPP: Honourable gentlemen, it seems to me that, before the vote is taken, a large number of members would like to see a decision on the merits of the Bill, or of the amendment moved. Now, if it is out of order to move a resolution or amendment at the present time, except one attacking the principle of the Bill, it seems to me that we could rescind the third reading, and the amendment might be moved on the third reading.

Right Hon. GEORGE P. GRAHAM: It might, if you could.

Hon. Mr. COPP: By the leave of the House.

Hon. Mr. DANDURAND: Question.

The Hon. the SPEAKER: Honourable gentlemen, a Bill originating in the House of Commons entitled "An Act to amend the Civil Service Superannuation Act, 1924," has been read the third time and is now ready to pass. Is it your pleasure, honourable gentlemen, to pass this Bill?

The Bill was passed.

CLAIMS OF ALLIED INDIAN TRIBES OF BRITISH COLUMBIA

REPORT OF JOINT COMMITTEE

Hon. Mr. McLENNAN moved concurrence in the report of the Special Committee appointed with respect to the claims of the Allied Indian Tribes of British Columbia.

He said: Honourable gentlemen, it was arranged that the honourable member for Russell (Hon. Mr. Murphy) was to make some explanations to the House on this report. Unfortunately he is not here, and I venture to say a few words in relation thereto.

I came to this Committee with a good deal of interest, but with no special knowledge as to the treatment by the Department of the Indian tribes of British Columbia. We had the advantage of the attendance of four members of the Commons from British Columbia, as well as the members of our own House; and I may say that I have never sat on a Committee whose proceedings were more instructive, or on which there was greater unanimity of opinion, or a more earnest desire on the part of its members to do what was right. The case was very much complicated by what I feel quite justified in describing as the misleading of the Indians by over-enthusiastic friends, who have carried on an agitation for a long time and have given the Indians exaggerated ideas of claims for which there was really no shadow of foundation. In other words, British Columbia was taken possession of by peaceful penetration. Fortunately there was no uprising of the Indians.

Anyone like myself, who was not well informed on the Indian problem, must have been struck by the enormous amount of work that is being done for the Indian tribes of Canada, and in a pre-eminent degree for those of British Columbia, because they were not receiving the annual tribute money, which, in what seemed to be the universal opinion, was not a desirable form of assistance to Indians. The schools and all the other efforts that were made to help them seemed admirable. The officials whom we saw gave the impression not only of competence, but of a real desire to do the very best they could for the Indians, with their old traditions, constantly changing.

More than that, we were all struck, I am sure, by the excellence of the material to which those agencies were being applied. The choice of words and the phrasing used by the two Indians who represented the Allied tribes, and the way in which they spoke, would be a credit to people highly trained in belles-lettres. As to Mrs. Williams, the interpreter who spoke for the older Chief, more than one of the members mentioned her admirable choice of words in translating.

I feel certain that every member of the Committee, from either House, would speak as I have done. I would certainly commend to all the members of this House a reading of the evidence and the report, for I think that even from the type they will get some of those satisfactory impressions that all of us received who were present at the sittings of the Committee.

I therefore recommend to the House the adoption of the report.

The motion was agreed to.

The Senate adjourned during pleasure.

PENSION BILL

FIRST READING

Bill 234, an Act to amend the Pension Act. Hon. Mr. Dandurand.

DIAMOND JUBILEE OF CONFEDERATION

RESOLUTION

Hon. Mr. DANDURAND: Honourable gentlemen, I have in my hand a resolution which has just been adopted unanimously in the House of Commons on the motion of the right honourable the Prime Minister, seconded by the leader of his Majesty's loyal Opposition. The leader of the Progressive party joined also, in order to make the resolution absolutely unanimous.

I think it is proper that this resolution should be recorded as the action of both branches of Parliament, as it is an official statement and an address to the people of Canada. I have asked my honourable friend, the leader of the Conservative party in this Chamber (Hon. W. B. Ross), to second this resolution. I do not style him the leader of His Majesty's loyal Opposition, because by his whole demeanour in this Chamber he has shown that he was not a leader of an opposition in this House in the same sense as the opposition leader in the other House.

I therefore move, seconded by Hon. W. B. Ross:

> Resolved, that as Canada is approaching the Sixtieth Anniversary of her founding as a Dominion, the Parliament of Canada place on record its deep appreciation of the achievements of the Fathers of Confederation, and with united voice express its faith and confidence in the future of this our country, and its development as a member of the British Commonwealth of Nations, owing allegiance to His Majesty the King.
>
> It is the earnest wish of Parliament that the Diamond Jubilee Celebration, for which plans are now being rapidly matured, shall commemorate appropriately and enthusiastically the accomplishment of Confederation and the subsequent progress of the Dominion. We trust that this commemoration will lend added inspiration to the patriotic fervour of our people, and afford a clearer vision of our aspirations and ideals, to the end that from sea to sea there may be developed a robust Canadian spirit, and in all things Canadian a profounder national unity.

The motion was agreed to.

At 1 o'clock the Senate took recess.

The Senate resumed at 3 p.m.

PENSION BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 234, an Act to amend the Pension Act.

He said: Honourable gentlemen, this Bill contains a few amendments which bear on the re-organization, to a certain extent, of the Federal Appeal Board. The first amendment says:

There shall be a Board known as "The Federal Appeal Board", consisting of not less than three nor more than seven members appointed by the Governor in Council on the recommendation of the Minister of Justice.

The Act at present reads: "not less than five nor more than seven members." The Bill provides for a decrease in the number, because the work of the Appeal Board is diminishing.

Right Hon. Sir GEORGE E. FOSTER: But it raises the minimum, does it not?

Hon. Mr. DANDURAND: The minimum is reduced from five to three.

There is a further clause:

Of the members first appointed to the Board, other than the Chairman, one-half shall be appointed for a term of two years and the other for a term of three years, and they shall be eligible for re-appointment for such further terms, not to exceed five years, as the Governor in Council may deem advisable.

That is the amendment now proposed. The subsection which is to be amended read as follows:

—and they shall be eligible for re-appointment for a further term of two years should the Governor in Council deem it advisable.

The amendment allows the members to continue in office for such a further term, up to five years, as the Governor in Council may deem advisable; whereas the present Act allows for an extension of only two years.

With regard to a quorum it is provided:

During such time as the Governor in Council may determine, three members shall constitute a quorum thereof. Thereafter a majority of the members shall constitute a quorum.

The two other amendments are of greater importance. The purpose is to allow of a new application to the Board, or the reconsideration of an application, if the applicant can furnish newly discovered evidence:

Provided that if within one year after a decision by the Federal Appeal Board upholding a refusal of pension by the Board of Pension Commissioners for Canada or one year after the passing of this proviso, whichever is the later, the applicant submits newly discoverd evidence which, in the opinion of a majority of the Board of Pension Commissioners for Canada, establishes a reasonable doubt as to the correctness of the previous decision, the Board of Pension Commissioners for Canada shall reconsider such case, and if refusal of pension be confirmed, the applicant shall have the right of a second appeal to the Federal Appeal Board and its decision thereon shall be final and shall be binding upon the applicant and upon the Board of Pension Commissioners for Canada.

That is in accordance with a request that has been urged over and over again by the soldiers' organizations.

Hon. Mr. GRIESBACH: In addition, I may point out to the honourable leader of the Government, it has been the practice of the Board. The Board found that they practically had to continue a hearing if there was new evidence; they could not avoid doing so. New evidence might be submitted to the Board of Pension Commissioners, and they would have to reconsider the case. They might then be in the position of having evidence which in their judgment would justify the granting of a pension which the Federal Appeal Board had refused.

Hon. Mr. DANDURAND: The Act as it now stands provides that a pension shall not be awarded unless an application therefor has been made within seven years after the date upon which the applicant was retired or discharged from the forces, subject to one or two modifications in certain cases. That seven-year period expires this year, and the Minister suggests that it be extended for two years. So the words "seven years" are replaced in this new legislation by the words "nine years."

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

THIRD READING

Hon. Mr. DANDURAND: May we dispense with the Committee stage?

Hon. W. B. ROSS: I should think so. The Bill is all right.

Hon. Mr. DANDURAND: Then I move the third reading of the Bill.

Right Hon. Sir GEORGE E. FOSTER: I would like to ask one question, if I may. The Bill does not make any provision for enlarging the basis on which applications for pension are made?

Hon. Mr. DANDURAND: No.

Right Hon. Sir GEORGE E. FOSTER: It just deals with the adjudication on the basis of causes already approved.

Hon. Mr. DANDURAND: Yes, but it allows a renewed application if new evidence is found.

Right Hon. Sir GEORGE E. FOSTER: That is reasonable, I think, to a very large extent. We all know the history of pension legislation in the United States. Long after the war was over, and when all the guns had rusted into powder, new applications were still coming in and enlargements being made. Sixty years after the war the pension bill of the United States was larger than it had been at any preceding time.

If this Bill applies only to the hearing of new evidence, there is ground for it. There are various reasons why evidence sometimes cannot be obtained. But we should guard very closely—and I believe our military men are in unison on this—against enlarging the scope of applications for pension.

Hon. Mr. GRIESBACH: This Bill has two aspects. One is, to all intents and purposes, the right of the Board of Appeal to hear a new appeal; the other is the extension of time.

To deal with the first. The law governing the Board of Appeal was that the decision of the Board, when given, should be final, and the appeal was not afterwards submitted to the Board of Pension Commissioners. But while the decision of the Board of Appeal was final, there was no finality at all in the application to the Board of Pension Commissioners. As a consequence, this situation might result: a man might apply for a pension, submit his evidence, get an adverse decision, be dissatisfied, and appeal to the Appeal Board, who might confirm the decision. So far as the Appeal Board was concerned, that man was done; but so far as the Board of Pension Commissioners was concerned, he was not. He might get fresh evidence and submit it to the Board of Pension Commissioners, and it was their duty to hear it. They might then say, "This new evidence convinces us that this man should have a pension," but the Board of Appeal had previously ruled that he could not be pensioned. This created an absurd situation. This section of the Bill is designed to cover that feature.

The extension of time is another matter. Under the Pension Act a man who was hospitalized for disability while in the service has a claim, continuing throughout his lifetime, to a pension with respect to that particular disability. Let that be clear. If he was hospitalized for a lung condition—"T.B.," for instance—so long as he lives that hospitalization constitutes a continuing application which is not governed by any statute of limitation. But with respect to any disability which a man might develop in after life and for which he was not hospitalized while in the service, we legislated some years ago to provide that the application must be made within the period of seven years from the time of demobilization. That time, I think, expired in September of last year, and this amendment extends it for two years. No new grounds or new rights are created; the time is extended, that is all.

Hon. Mr. DANDURAND: The right honourable gentleman (Right Hon. Sir George E. Foster) has spoken of the experience of the United States in the matter of pensions. I have heard the same warning uttered in this Chamber within the last few years. I may say that I attended the meetings of the Senate Committee when the amendments to the Act came under review, and I want to bear testimony to the spirit of loyalty and fair play shown by the gallant soldiers that we have with us in this Chamber, in approaching the matter. They were always desirous of doing the right thing by the soldier, but stopped at the point beyond which they thought an undue advantage would be given. I may be for only a short space of time in this Chamber myself, but I trust that, should any pressure come from the House of Commons—for one must not forget that if there is any pressure it will come from the members of that House, who have to look for popular support—that in the general interest of Canada we may rely upon the judgment of the soldiers who so gallantly led to battle the very men who may be appealing for a revision of the pension law.

Right Hon. Sir GEORGE E. FOSTER: Not only was there an extension of grounds in the United States, but there grew up in the Senate, if not in the representative branch of Congress itself, what was really a system of log-rolling, by which individual pension bills were introduced, and under which one Senator would say to another: "You support my bill and I will support yours." This was acknowledged everywhere in the United States to have become a very gross scandal. I am satisfied that we are quite safe from that situation in this assembly.

Hon. Mr. GRIESBACH: May I just touch upon that? Entirely apart from the natural fondness of the people of the United States for politics, the scandal which grew up there was largely if not wholly, attributable to the fact that their whole scheme of enlistment and records was haphazard, almost nonexistent. The result was that after the war there were no documents at all concerning a man, and he

was permitted to introduce the evidence of comrades that he had been wounded or hurt in a certain way, and this created the basis of agitation.

I have said before, and I take pleasure in saying it again, that the system of Canadian records in the late war was the finest and best system evolved by any country that took part in the war. There was nothing to equal it. It is difficult to know how we came by that system. We followed the War Office to a certain extent. Every document was made out in triplicate, one copy being kept in London, one in Rouen, and one sent to Canada. Everything that happened a man—promotion, appointment, punishment, absence without leave—was shown. His medical papers showed every bit of medical attention that he received. After the war all those documents were assembled, and five hundred tons of them were returned to Ottawa, where they now are. They are very badly housed; they are not in a fire-proof building, and are apt to be destroyed at any time. However, this system is complete, and if you know a man named John Smith who served in the war you can find the Smith you are looking for. If you go down to where the records are kept and say he had a red head or a wart on his nose, or anything about him that you can think of certain keys of a machine will be touched and the card of that John Smith will be produced, and all the information regarding him made available. Consequently the country is secure against the imposter who says he was injured, ill, or sick on a certain day. If that is not the record on his sheet, it is not true. Of course, there is the human element, and some mistakes have been found; but they are so few as to be negligible. The country is absolutely protected against the situation that grew up in the United States. It cannot exist here.

Just one other thing. If the private bill for the relief of an individual appears, it must be stamped out at once, and this House must do it. We have laid it down in our soldier legislation that Parliament can legislate only for the mass, and not for classes. As far as possible this principle should be followed, and Parliament should legislate for classes only when the individuals making up those classes become sufficiently numerous to be capable of identification. We have legislated for the tubercular classes and for the neurotic class because such cases are sufficiently numerous to be segregated and described in an Act of Parliament. Beyond that we should not be asked to go.

Hon. Mr. MACDONELL: I wish to add a word to what the right honourable gentleman from Ottawa (Right Hon. Sir George E. Foster) has said regarding the possibility in this country of a log-rolling system such as existed in the United States. Shortly after the war between the North and the South, the pension bill of the United States was $34,000,000 a year. I think I am correct in that figure. By reason of log-rolling that figure was increased, until to-day it is something like $129,000,000 a year that the United States is paying in pensions for the war between the North and the South.

While we in this Chamber are most anxious to be just and in every way considerate towards the soldiers who deserve pensions as a result of the war, nevertheless we must remember that it is our duty to watch the safety valve of this country in dealing with any measure which would increase pensions to our returned soldiers, or to their widows and children, not only for the present but for the future.

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

The Senate adjourned during pleasure.

The sitting was resumed.

At 6 o'clock the Senate took recess.

The Senate resumed at 8 o'clock.

APPROPRIATION BILL No. 6

FIRST READING

Bill 340, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1928.—Hon. Mr. Dandurand.

SECOND READING

Hon. Mr. DANDURAND moved the second reading of the Bill.

He said: Honourable gentlemen, I shall not enter into a discussion on the details of the Supply Bill. We have all received the estimates as presented in the House of Commons; also the supplementaries. We are familiar with the contents of those Bills, and, as the Senate has never claimed the right to amend a Supply Bill, I now move the second reading.

Hon. W. B. ROSS: Honourable gentlemen, since I have been in this House some cause or another has always prevented anything like a full discussion of the estimates. They have come to us in the last hours, sometimes in the last minutes of the Session. I do not recall any occasion on which there has been opportunity for a thorough discussion of the financial condition of the country in relation to the estimates for the current year.

It is manifestly out of the question on this occasion to attempt to discuss the whole of the estimates or to deal with them in detail. I do not know whether it would be possible for us at another time to adopt some other procedure. Perhaps in the early part of the Session, when the Senate is not pressed with work from the other House, it might be well for us to take time to discuss in detail the financial condition of the country. Of course, the money that is voted this year will be spent before we meet again and that will be the end of it; but we are not settling the question of the financial condition of the country, or the question whether the Government is working on proper financial principles or not.

I have always thought, since the time of the Great War, when we incurred so heavy an expenditure and so great a debt, that the Government should proceed upon the principle that every possible step ought to be taken to reduce expense; that they should save every dollar that could be saved, with a view to decreasing the taxation of the country, which, I need not argue, is very high. Our taxes take a large percentage of the earnings of the people and undoubtedly increase the cost of living. I think we ought to keep in mind that we have a large national debt and that, if possible, a substantial reduction of that debt should be made every year. I am not satisfied that the Government are saving money as they should. Anyone who looks over the estimates that we are asked to vote cannot reasonably anticipate an early and further reduction in taxation.

To enter into details would take a long time, and I will not do so. I intend to pass by the estimates simply with the statement that I think we are entitled to demand of the Government more economy than is practised, in order that, as I have said, there may be a decrease in taxation and in the cost of living.

There is one item in the estimates that I think I ought to mention, because it strikes me that it is not justified. You may have justification for an item like the $1,600,000 that is voted for subsidies to the Maritime Provinces. Those subsidies are the result of an award, and they are allowed as a matter of right; therefore I do not see how the Government, once it became involved in that arbitration, could avoid making this expenditure. So I am not criticizing them on that score. It is one of the large new expenditures, but, as I say, I do not see how it could be avoided. But, coming to the expenditure of $500,000, which is item number 467 in the supplementary estimates, for the Canadian Legation at Washington, I think that is an expenditure that the Government might very well have avoided. I do not mind saying that I never believed in this Legation at Washington. I think that we were getting along very well when we were represented there by the British Ambassador. The proposal to have a representative at Washington originated, I believe, under the old Conservative Government. If instead of establishing a Legation the Government had appointed a Trade Commissioner at Washington, I believe we would be in a more comfortable and more secure position in our dealings with our neighbours to the south, and a very substantial expenditure could be saved. For my part I cannot see any justification at all for this enormous expenditure, even for an Ambassador at Washington. This Government were in no hurry to act in the matter; for two or three years they allowed it to stand; and I was in hopes that they would let it stand permanently. However, they seem to have changed their minds, and they have now appointed their Ambassador.

I doubt very much that the American Ambassador, when he comes here, although he represents a much wealthier country than this, will find himself supported by hundreds of thousands of dollars from his own Government, for the maintenance of his office or residence.

As I have stated, I do not intend to enter into the details. It would take a long time, and perhaps when the other House is waiting for us it would be out of place for me to take any longer.

Hon. Mr. WILLOUGHBY: Is the other House waiting for us?

Hon. Mr. DANDURAND: Yes, the other House is waiting for a call from the right honourable the Deputy Governor. Of course, that does not preclude us from discussing the Bill that is before us.

Hon. W. B. WILLOUGHBY: I desired to say only a word on the subject to which my honourable leader has particularly referred. May I ask, in the first instance, what provision is made for the salary and for the secretarial help of the Minister at Washington?

Hon. Mr. DANDURAND: If it is not to be found in the Supply Bill—

Hon. Mr. WILLOUGHBY: I do not find it.

Hon. Mr. DANDURAND: I have not examined the items, but I think that has been provided for. I think my honourable friend will find the answer in the estimates that are before us. If he does not, I will supply it to him.

Hon. Mr. WILLOUGHBY: I intend to say only a few words. I did not know my honourable leader intended addressing himself to the question of the Minister at Washington.

I have read the address of the first Minister in the other House. A copy is not in front of me at the moment, but perhaps it is not necessary for my purpose. I think he mentioned that the representative of the Argentine Republic built in 1923, if I remember aright, a residence which cost $350,000, and said that the Argentine Republic was expending a very large amount, $200,000 or more, in addition to that; also that Mexico had repeated the same experiment. So if we launch into an expenditure of $500,000, of which $300,000 will be spent upon a house and the balance upon equipment, we may be confronted a year or two hence with the necessity of making additional expenditures if we are to keep pace with the Latin nations to the south. Perhaps we may be asked to vote an amount equivalent to what we are asked to vote now. Where will the expenditure stop?

I desire to say—and I say it as a humble member of the party—that the policy in this respect enunciated by my own distinguished leaders some years ago was a policy that never appealed to me, and I have never had any hesitation in expressing my opinion outside of this House as I express it now. I concur in the attitude taken by the honourable leader on this side (Hon. W. B. Ross). I for one desire to see this country maintain the most friendly and most pleasant relations with the great nation to the south. Our interests are inextricably interwoven; we speak the same language and our intercourse is a growing one; but we are not in exactly the same position as they are, or any of those other nations that are represented at Washington. We are part of the British Empire; we are not an independent nation, though we may have a theoretical status of equality with the other members of the Empire. Those other nations are separate entities dealing with a distinct nation, the United States. It would have been safer, more economical and wiser to have at Washington a gentleman occupying a position less distinguished than that of Ambassador. I presume that is what our representative really is. I have never heard any complaint, or at any rate, not for a long period of time—not since the time, back in the last century, when we began to negotiate our own treaties—that the British Minister at Washington did not represent us satisfactorily; and I know that there are on his staff some gentlemen to whom some of us have appealed very frequently for information regarding current matters or legislation pending or likely to be introduced in the United States, and we have always had the courtesy of prompt and most satisfactory attention, and all papers desired have been forwarded to us.

We are only a night's journey from Washington. Our Minister there will negotiate nothing, I assume, without the approval of the Ministry at Ottawa. By reason of our contiguity to the United States, the Ministry at Ottawa are within close range, and in less than a day one or more of the Ministers can go down to Washington for a conference between principals, instead of ambassadors, on important questions of policy. I do not think the distance is too far. Some of us—I am not often one of the fortunate number—find the Board Walk at Atlantic City not very far when we desire a little holiday. Washington is not much further than that.

I regret that the Government have decided on the step they have taken in appointing an Ambassador. I have no intention whatever of saying a word derogatory to the occupant of that high position: he may be a worthy representative of this country: but I think that we are at the present time too anxious for what we think is a place in the sun. Like a young boy, our Government are troubled with growing pains. There is too much desire for display before the people of the world, as if we were a self-contained community, a distinct nation, and not one in the great circle of self-governing dominions that form the British Empire.

Hon. Mr. DANDURAND: Honourable gentlemen, I quite understand the state of mind of my honourable friend who leads the other side of the House (Hon. W. B. Ross) when he finds himself confronted with the pretty large items that appear in the present Supply Bill. His surprise would quickly disappear if he had the task of sitting in Council and listening to the demands that come from all parts of Canada. This is a very large country, with considerable public works, and it is the bounden duty of the Government to see that those works are maintained. We receive here, from all over this country, claims that immediate repairs are needed on works along our shores and at our ports. All these matters must be attended to and provided for.

My honourable friend says he has consented to the new item of $1,700,000 for the Maritime Provinces, but he singles out the appropriation of half a million dollars for the Legation at Washington. I want to tell my honourable

friend that very often we have been surprised at figures which at first glance appeared large, but when we came to study the situation we found they were justified. I will refer to only one item, in relation to the purchase of the Scribe Hotel in Paris, to which there was such objection that the Canadian National Railway management felt it owed it to public opinion to sell the property. Since then I have been in Paris two or three times, and I have deplored the day when we abandoned the title to that property. The Canadian Commissioner's office is of so poor a character that we felt somewhat ashamed when we walked into it. It will be necesary to place our Commissioner General in proper quarters. In the Scribe Hotel we had a property worth double the amount that shocked this Chamber and public opinion, and we had there an opportunity to place our Commissioner and all the services at the very hub of Paris.

When we come to this figure for Washington we must not forget that we occupy a position there beside all the nations of the world. We represent half of North America. Potentially we are a very big nation.

Hon. Mr. WILLOUGHBY: Geographically.

Hon. Mr. DANDURAND: Yes, but I say potentially also. We have nine millions of people, and we play a most important part in commerce and trade with the United States.

Hon. Mr. ROBERTSON: We have half the population of Mexico.

Hon. Mr. DANDURAND: Yes, but our primary duty is to play our national role there as becomes a nation of our position. The matter with which we have to deal in connection with the United States are of the most vital importance to Canada. I could, if I would, name half a dozen problems that have to be solved within the next few days, but this is not the time to open a discussion on that phase of this Legation development, and the sending of an official delegate to Washington; it would be too vast a subject to be dealt with now.

I am convinced that this Government stands well. It has within the last two or three years reduced taxation; it has shown surpluses; it has reduced the debt; and I hope that with the prosperity which appears to fill our sails the present expenditure will be found quite light when we look at the results next year.

With these few remarks I move the second reading of this Bill.

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

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

PROROGATION OF PARLIAMENT

The Hon. the SPEAKER informed the Senate that he had received a communication from the Deputy Assistant Secretary to the Governor General, acquainting him that the Right Honourable F. A. Anglin, acting as Deputy of the Governor General, would proceed to the Senate Chamber to-day at 8 p.m. for the purpose of proroguing the present Session of Parliament.

The Senate adjourned during pleasure.

The Right Honourable F. A. Anglin, Deputy of the Governor General, having come and being seated on the Throne, and the House of Commons being come with their Speaker:

BILLS ASSENTED TO

The following Bills were assented to, in His Majesty's name, by the Right Honourable the Deputy Governor General:

An Act to amend The Food and Drugs Act, 1920.

An Act for the relief of Dorothy Helen Murray.

An Act for the relief of Lotta Maria McGregor.

An Act for the relief of Harriett Louisa May MacCarthy.

An Act for the relief of Adelaide Mildred Maguire.

An Act for the relief of Dmytro Pushkedra.

An Act for the relief of Muriel Helen Louise Dunn.

An Act for the relief of William Henry Poultney.

An Act for the relief of Cecil Chester Richardson.

An Act for the relief of Bertha Amelia Bertelet.

An Act for the relief of Evelyn May Bateman.

An Act for the relief of Fannie Louise Dance.

An Act for the relief of Sarah Simpson.

An Act for the relief of Percy Compton.

An Act for the relief of Hazel Green Anderson.

An Act to incorporate Gatineau Transmission Company.

An Act respecting certain patents owned by Albert P. Frigon.

An Act for the purpose of establishing in Canada a system of Long Term Mortgage Credit for Farmers.

An Act respecting Commercial Travellers Mutual Insurance Society.

An Act to amend an Act to provide compensation where employees of His Majesty are killed or suffer injuries while performing their duties.

An Act to amend an Act respecting the Construction of a Canadian National Railway Line, being a joint section from Rosedale southeasterly in the Province of Alberta.

An Act respecting a certain patent of Enos Henry Briggs.
An Act to incorporate The President of the Lethbridge Stake.
An Act respecting The Bronson Company.
An Act respecting Joliette and Northern Railway Company.
An Act to amend "An Act respecting The Brandon, Saskatchewan and Hudson's Bay Railway Company."
An Act respecting the Baptist Convention of Ontario and Quebec.
An Act for the relief of James Edward Barnaby.
An Act for the relief of Helen Pettit Bruce.
An Act for the relief of Hugh Devlin.
An Act for the relief of Charles Wilson.
An Act for the relief of Josephine Rae Ennis.
An Act for the relief of Della Laurel Cox.
An Act for the relief of Rose Glucksberg.
An Act for the relief of Murray Richard Minler.
An Act for the relief of John Leslie MacLellan.
An Act for the relief of Elizabeth Brown.
An Act for the relief of Matilda Emily Cantrell.
An Act for the relief of Mary Ellen Walker.
An Act for the relief of Edwin Walter Wood.
An Act for the relief of Harriett Robinson.
An Act for the relief of Homora Emilie Hodgson.
An Act for the relief of Paul Elester Scarr.
An Act for the relief of Ronald Lorne Johnston.
An Act for the relief of Eva O'Neill.
An Act for the relief of Mabel Beatrice Nash.
An Act for the relief of Isabella Emily Blue.
An Act for the relief of Cherie Amy Aston.
An Act for the relief of Ida Gertrude LeFevre.
An Act for the relief of Inez Mary Pitcher.
An Act for the relief of Charles Murray Mutch.
An Act for the relief of Estelle Henrietta Cartwright.
An Act for the relief of Ronald Ross File.
An Act for the relief of Grace Mantle.
An Act for the relief of Emma May Ryan.
An Act for the relief of Muriel Martha Hammond.
An Act for the relief of Anna Mae Francis.
An Act for the relief of Harold James Hubbard.
An Act for the relief of Indiaetta Muriel Taylor.
An Act for the relief of William Arthur Dillabough.
An Act for the relief of James Alfred McCabe.
An Act for the relief of Frederick George Jones.
An Act for the relief of Manford York.
An Act for the relief of Queenie Isobel Parks.
An Act for the relief of Charles Shedrick Phillips.
An Act for the relief of Lavina Harrison.
An Act for the relief of Marretta Isobelle Grose Leach.
An Act for the relief of Mabelle Amelia Bulmer.
An Act for the relief of John Lauron Garfield Evans.
An Act for the relief of Ernest Arthur Kingston.
An Act for the relief of Norah Louise Patricia Campbell Chauvin.
An Act to amend The Soldier Settlement Act, 1919.
An Act respecting certain debts due the Crown.
An Act respecting certain patents of James McCutcheon Coleman.
An Act for the relief of Amelia Chester.
An Act for the relief of Elsie Adams.
An Act for the relief of Frederick George Elliott.
An Act for the relief of Sidney Alfred Tyers.
An Act for the relief of Margaret Ann Hall.
An Act for the relief of Electa Minerva Meades.
An Act for the relief of George Allan Swift.
An Act for the relief of Kathleen Maud Cotton.
An Act for the relief of Gertrude Thompson.
An Act for the relief of Jessie Isobel Davidge.
An Act for the relief of Zelpha Evyleen Root.
An Act for the relief of May Alice Moorhouse.
An Act for the relief of Charles Auguste Brosseau.
An Act for the relief of Celia Kornblum.
An Act for the relief of Alice Elizabeth Fegan.
An Act for the relief of Della Bishop.
An Act for the relief of Cecilia Lucy Holloway.
An Act for the relief of Carl Stanley Ryerse.
An Act for the relief of Samuel Clement Askin.
An Act for the relief of Pearl Lavinia Rorke.
An Act to amend the Post Office Act.
An Act for the relief of Jessie Wright.
An Act for th relief of Audrey Idelle Knowles.
An Act for the relief of William Edward Couch.
An Act for the relief of Clara Cairney.
An Act for the relief of Annie Sophia Cordonsmith.
An Act for the relief of May Elizabeth Chambers.
An Act for the relief of Violet Gladys Cockerton.
An Act for the relief of Mary Eleanor Kennedy Lodden.
An Act for the relief of Arlee Lillian Helmsley.
An Act for the relief of Merton Egbert Ellsworth Kittredge.
An Act for the relief of William Newton Anglin.
An Act for the relief of Annandale Ramsden.
An Act for the relief of Willie Rosenberg.
An Act for the relief of John Henry Fisher.
An Act for the relief of Leo Bruce Burley.
An Act for the relief of Hilda Parker.
An Act for the relief of Gladys Ivy Turner.
An Act for the relief of Rose Ann Hill.
An Act for the relief of Annie Mary Ann McCulloch.
An Act for the relief of George Melvil Fleet.
An Act respecting the Halifax Harbour Commissioners.
An Act relating to the Harbour of Saint John in the Province of New Brunswick.
An Act to encourage the Production of Domestic Fuel from coal mined in Canada.
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SPEECH FROM THE THRONE

After which the Right Honourable the Deputy of the Governor General was pleased to close the First Session of the Sixteenth Parliament of the Dominion of Canada with the following Speech:

Honourable Members of the Senate:

Members of the House of Commons:

I desire to express my appreciation of the expedition with which you have discharged your duties in a Session marked by much important legislation. The revision by the House of Commons of its rules should serve to expedite the transaction of public business at future Sessions.

Important government measures which passed the House of Commons during the last Parliament, but which failed to become law have now been passed by both Houses, and have received the Royal Assent. They include provision, in co-operation with the provinces, for a system of long term mortgage loans for farmers and for old age pensions. Amend-

ments have been made to the Canada Grain Act, affecting the grain growing interests, and equally important amending legislation has been enacted affecting live stock interests.

The increasingly satisfactory showing of the Canadian National Railways' net earnings affords concrete evidence of our expanding trade and commerce. The extension of the Canadian National railway system by another comprehensive program of branch line construction, will make possible the rapid development of communities hitherto lacking railway facilities. Further substantial provision has also been made for work on the Hudson Bay route. The Agreement concerning the Grand Trunk Pacific Debenture Issue has been approved.

The expansion of our trade, which is rapidly penetrating the diversified markets of the world, is further reflected in the increasing importation of raw material for the use of our manufacturers and a corresponding increase in our exportation of manufactured goods. Our exports of food products continue satisfactory. Supplementing the work of the Empire Marketing Board, provision has been made to assist in a substantial manner the marketing of Canadian produce in Great Britain. Arrangements are also nearing completion for the improved steamship service to the British West Indies.

The favourable consideration given the recommendations of the Royal Commission appointed to examine and report upon conditions in the Maritime Provinces, has been received with general approval throughout the Dominion. The substantial money grants made to these provinces, the reduction to be effected in their freight rates, the encouragement given the production of domestic fuel from coal mined in Canada, the provision for a Deputy Minister of Fisheries, and for Harbour Commissions at Halifax and St. John, together with other administrative measures contemplated in accordance with the recommendation of the Commission, will, it is confidently expected, materially assist in furthering the economic prosperity of Nova Scotia, New Brunswick and Prince Edward Island, and in advancing the welfare and unity of the whole Dominion.

The protection of the public revenues has been enhanced by the heavier penalties provided for violation of the Customs and Excise laws and by the consolidation of the Customs, Excise and Income Tax branches of the public service into one Department of the Government to be known as the Department of National Revenue.

Additional protection for the public has been afforded by the amendments made to the laws respecting insurance, loan and trust companies.

Amendments of importance to ex-soldiers have been made to the Pension Act, extending the period for filing pension claims, and making provision for a second appeal in case of newly discovered evidence.

The position of the Civil Service of Canada has been improved with respect alike to salaries and superannuation.

To aid in the celebration of the sixtieth anniversary of Confederation, a National Committee has been incorporated. Its efforts have been directed to securing, in co-operation with the provinces, a worthy commemoration of this important stage in our national development. Especially appropriate is the constitution at this time of a Federal District Commission with enlarged jurisdiction and powers in respect of the permanent beautification of the Capital of our Dominion.

Members of the House of Commons:

It is gratifying to know that you have been able to effect further substantial relief from taxation. I thank you for the provision you have made for the public service:

Honourable Members of the Senate:

Members of the House of Commons:

The Minister Plenipotentiary accredited by His Majesty to represent the Dominion of Canada in the United States has presented his credentials and has entered upon his duties. The President of the United States has appointed the former United States Ambassador to Belgium as Minister Plenipotentiary in Canada; the new Minister will shortly take up his duties at Ottawa. This exchange of representatives will undoubtedly help to maintain and develop the existing good relations between the two countries.

The prosperity which Canada so happily enjoys at the present time gives every indication of continuing in increasing measure. For this, and many other blessings upon our land, I join with you in heartfelt thanks to Divine Providence.

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